Table of Contents

Index to Financial Statements

As filed with the Securities and Exchange Commission on July 2, 2020

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

FORM 20-F

☒ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number:

Maxeon Solar Technologies, Pte. Ltd.

(Exact name of registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)
Singapore
(Jurisdiction of incorporation or organization)
8 Marina Boulevard #05-02
Marina Bay Financial Centre
018981, Singapore
(Address of principal executive office)

Jeffrey W. Waters
51 Rio Robles
San Jose, California 95134
(408) 240-5500
(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Copies to:

Randi C. Lesnick, Esq.
Bradley C. Brasser, Esq.
Jones Day
250 Vesey Street
New York, New York 10281
(212) 326-3452

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Ordinary Shares, no par value	NASDAQ Global Select Market

Securities for which there is a reporting obligation pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Not applicable

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐

Non-accelerated filer ☐ Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

, 2020

Dear SunPower Shareholder:

On November 11, 2019, we started a new chapter for SunPower.

We announced plans to separate into two independent, industry-leading, publicly traded companies—SunPower Corporation ("SunPower") and Maxeon Solar Technologies, Ltd. ("Maxeon Solar"). The two new companies will benefit both from becoming independent of each other and utilizing their respective strengths and extensive experience across the solar value chain.

SunPower: Pure Play, Focused DG Energy Services Company Leveraging World's Best Solar Platform

SunPower will continue as the leading North American distributed generation, storage and energy services company. We will leverage our strong dealer network, which is the largest residential and commercial franchise in the industry. I will continue to lead SunPower and the company will remain headquartered in Silicon Valley. Our focus will be on product innovation, downstream high-efficiency solar systems, and high-growth storage and energy services. We will also continue our commitment to American manufacturing by owning and operating our facility in Hillsboro, Oregon.

To maximize our outstanding research and development team, SunPower and Maxeon Solar will cooperate to develop and commercialize our next generation solar panel technologies, with early stage research conducted by SunPower and deployment-focused innovation and scale up carried out by Maxeon Solar.

Maxeon Solar: Advanced Technologies Deployed at Scale

SunPower Technologies business unit leader Jeff Waters will take on the role of CEO of Maxeon Solar. Maxeon Solar is set to be a leading global technology innovator, manufacturer and marketer of premium solar panels. Maxeon Solar will market its solar panels under the SunPower brand into the global solar power marketplace, and into the United States and Canada via a multi-year exclusive supply agreement to be entered into with SunPower at the time of separation. We believe Maxeon Solar will be positioned to expand on SunPower's well-established market channels and to increase international sales in some of the fastest-growing solar markets outside of North America.

Investment to Accelerate Next Generation Solar Panel Technology

The planned separation was structured to facilitate the investment by Tianjin Zhonghuan Semiconductor Co., Ltd., a PRC joint stock limited company ("TZS"). TZS is a premier global supplier of silicon wafers and long-time partner of SunPower. TZS believes in the technology and knows it well. In fact, SunPower and TZS have cooperated on seven joint ventures and joint development projects since 2012.

Separation Implementation

To implement the separation, SunPower will first transfer its solar cell and panel manufacturing facilities located in France, Malaysia, Mexico and the Philippines and technology and manufacturing upstream operations and international sales capability to Maxeon Solar. The company will then subsequently distribute all of the Maxeon Solar ordinary shares held by SunPower to SunPower shareholders, pro rata to their respective SunPower holdings.

Each SunPower shareholder will receive one Maxeon Solar share for every eight SunPower shares they hold or have acquired and do not sell or otherwise dispose of prior to the close of business on , 2020. The distribution generally should not be taxable to SunPower shareholders for Singapore withholding and income tax and for U.S. federal income tax purposes. An application will be made to list the Maxeon Solar shares on the NASDAQ Global Select Market under the symbol "MAXN." Trading in Maxeon Solar shares is expected to begin on the NASDAQ on , 2020.

In connection with the distribution, on November 8, 2019, Maxeon Solar, SunPower and, for the limited purposes set forth therein, Total Solar INTL SAS ("Total"), an affiliate of Total S.A., and TZS entered into an investment agreement pursuant to which, immediately following the distribution and in exchange for a purchase price of $298 million, TZS will acquire, and Maxeon Solar will issue, additional Maxeon Solar shares representing approximately 28.848% of the total number of Maxeon Solar shares outstanding immediately following the distribution and investment. In connection with the TZS investment, Maxeon Solar, Total and TZS will enter into a shareholders agreement relating to certain rights and obligations of each of Total and TZS as a holder of Maxeon Solar shares. Maxeon Solar expects that the investment by TZS will finance continued scale-up of Maxeon 5 and 6 capacity (marketed in the United States as A-Series) and accelerate the development and commercialization of our next-generation Maxeon 7 panels. We believe this will allow Maxeon Solar to increase its distributed generation market share and accelerate profit growth.

You do not need to take any action to receive Maxeon Solar shares to which you are entitled as a SunPower shareholder, and you do not need to pay any consideration or surrender or exchange your SunPower shares.

We encourage you to read the enclosed Registration Statement on Form 20-F, which is being made available to all SunPower shareholders and is also publicly available. The Form 20-F describes the separation in more detail and contains important business and financial information about Maxeon Solar.

COVID-19 Pandemic

For several months now, SunPower has been managing through the COVID-19 pandemic—which has affected how our teams around the globe work and how we operate our company, including manufacturing, selling, installing and servicing. Our priority has been to enhance our already stringent health and safety standards to protect our employees, customers and those in the communities we serve, while we thoughtfully manage market impacts. We acted early to take prudent measures to contain costs, and we are prepared to continue addressing this ever-evolving situation as warranted. Our actions, in addition to having the industry's best technology and innovative product suite, will position SunPower, and ultimately Maxeon Solar, well for when the solar industry returns to strong growth.

Now is the Time for this Type of Transaction

The solar industry is at an inflection point. Recent forecasts by Bloomberg New Energy Finance estimate that global deployed capacity will reach more than 1,500 gigawatts in just five years and that solar will generate 40% of the world's electricity by 2050.

We believe we now have the opportunity for our two powerhouse companies to fulfill and exceed those projections and continue to build long-term shareholder value. With two distinct publicly traded companies, we believe SunPower and Maxeon Solar will be better-positioned to capitalize on significant growth opportunities and focus resources on their respective businesses and strategic priorities.

We appreciate your investment in us, and your continuing support of SunPower, and look forward to your future support of both companies. Together, we can change the way our world is powered.

Sincerely,

Thomas H. Werner
Chief Executive Officer and Chairman of the Board
SunPower Corporation

, 2020

Dear Maxeon Solar Shareholder:

It is my pleasure to welcome you as a shareholder of our new company, Maxeon Solar Technologies, Ltd. Built on decades of technological innovation and investment, we are a leading global technology innovator, manufacturer and marketer of premium solar panels.

As the industry evolves, we need to evolve with it. Solar equipment manufacturing will consolidate around a handful of leaders that compete on technological innovation and the lower costs that come with scale. Meanwhile, distributed generation has emerged as a fast-growing market that complements the utility-scale solar power plant market. Maxeon Solar addresses the distributed generation opportunity with one of the industry's most powerful global go-to-market channels, positioning the company as a leader in the residential and commercial rooftop segments. In the large-scale and utility segment, our Huansheng Performance Line joint venture provides a very strong platform for us to scale our business in a highly capital efficient manner.

The spin-off of Maxeon Solar completes our efforts to align with these market trends. At our foundation is over three decades of Silicon-Valley based technology leadership, designing and manufacturing the world's best solar panels—more power and unparalleled durability. For residential and commercial rooftop markets, our interdigitated back contact (IBC) Maxeon Line of panels consistently sets the industry standard for highest efficiency. For large-scale commercial and power plant markets, our Performance Line panels offer our customers performance advantages at competitive cost, and will enable us to drive growth and scale that benefit the entire company. As an independent company with significant new capital, Maxeon Solar can scale these panel technologies more quickly and expand our product offerings to include complementary technologies that will better monetize our channel relationships. Centering our operations in Asia will also enable us to drive costs lower, sustaining our competitiveness within the industry. Finally, while we will still benefit from our relationship with SunPower in both branding and US distribution, we will now have an increased focus on expanding sales opportunities around the world. Our team will leverage proven and growing sales and distribution channels supplying customers in more than 100 countries on six continents.

Our enclosed Registration Statement on Form 20-F covers the details of the transaction, and I encourage you to study it thoroughly. The key elements you need to know are these: upon closing, you will receive one Maxeon Solar share for every eight SunPower shares that you own upon the close of business on , 2020. Immediately after the distribution, Maxeon Solar will issue new shares that will be purchased by our long-time partner, Tianjin Zhonghuan Semiconductor (TZS). TZS will invest $298 million in Maxeon Solar, substantially strengthening our balance sheet. After this capital injection, TZS will own approximately 28.848% of the outstanding Maxeon Solar shares. Maxeon Solar shares will be listed on the NASDAQ under the symbol "MAXN," and trading in Maxeon Solar shares is expected to begin on the NASDAQ on , 2020.

Our team is excited and energized by the growth we can realize with Maxeon Solar as an independent company, and the benefits it will bring to our investors, employees and the planet.

Sincerely,

Jeffrey W. Waters
Chief Executive Officer
Maxeon Solar Technologies, Ltd.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

INTRODUCTION AND USE OF CERTAIN TERMS

We have prepared this registration statement using a number of conventions, which you should consider when reading the information contained herein. We are currently registered with the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") under the name "Maxeon Solar Technologies, Pte. Ltd." Following the separation and prior to the distribution described in this registration statement, we will convert to a public company under the Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act") and will change our name to "Maxeon Solar Technologies, Ltd." and amend our constitution to a public company constitution as described in this registration statement. In this registration statement, "we," "us," "our" and "Maxeon Solar" shall refer to Maxeon Solar Technologies, Pte. Ltd. (prior to the conversion) or Maxeon Solar Technologies, Ltd. (after the conversion), or such respective entities and the Maxeon Business (defined below) collectively, as the context may require.

We publish combined financial statements expressed in U.S. dollars. Our combined financial statements responsive to Item 17 of this Form 20-F are prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

We have prepared this registration statement to register our shares under the Securities Exchange Act of 1934 (the "Exchange Act") in connection with the trading of our shares on the NASDAQ Global Select Market ("NASDAQ"). Maxeon Solar Technologies, Pte. Ltd. was formed in the third quarter of 2019 in Singapore to serve as the holding company of businesses to be contributed to Maxeon Solar by our parent, SunPower Corporation ("SunPower") in connection with a spin-off of the following businesses that are currently held by SunPower (collectively, the "Maxeon Business"):

- SunPower's non-U.S. manufacturing business, including solar cell and module manufacturing facilities located in France, Malaysia, Mexico and the Philippines;
- SunPower's international sales and distribution business outside of the 50 U.S. states, the District of Columbia and Canada;
- a 20% interest in Huansheng Photovoltaic (Jiangsu) Co., Ltd. (formerly known as Dongfang Huansheng Photovoltaic (Jiangsu) Co., Ltd.) ("Huansheng"), a joint venture to manufacture Performance solar panels (the "Performance Line" or "P-Series") in China;
- an 80% interest in SunPower Systems International Limited, an international sales company based in Hong Kong;
- a 25% interest in Huaxia CPV Power Co. Ltd., a joint venture to manufacture and deploy low-concentration photovoltaic concentrator technology in Inner Mongolia and other regions in China; and
- an 8% interest in Deca Technologies Inc., a privately held intellectual property holding company with headquarters in Tempe, Arizona.

Additionally, this registration statement uses the following conventions:

- "Internal Transactions" refers to the series of internal transactions SunPower will complete prior to the distribution, following which we will hold, directly or through our subsidiaries, the Maxeon Business. The Internal Transactions are described in more detail under "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us" or "Internal Transactions";
- "separation" shall refer to the transaction in which SunPower will contribute certain non-U.S. operations and assets of its SunPower Technologies business unit to us, including its interests in each of SunPower Energy Corporation Limited, SunPower Corporation Limited, SunPower Manufacturing Corporation Limited, Huansheng Photovoltaic (Jiangsu) Co., Ltd., SunPower Solar Energy Technology (Tianjin) Co., Ltd., Huaxia CPV Power Co. Ltd., Hohhot Huanju New Energy Development Co., Ltd.,

SunPower Systems International Limited, SunPower Energy Solutions France SAS, SunPower Philippines Manufacturing Ltd., SunPower Malaysia Manufacturing Sdn. Bhd., SunPower Solar Malaysia Sdn. Bhd., SunPower Corporation UK Limited, SunPower Systems Sarl, Deca Technologies Inc., SunPower Energy Systems Singapore Pte. Ltd., and SunPower Corporation Mexico S. de R.L. de C.V., as well as other intermediate holding companies and subsidiaries related to these entities;

- "distribution" shall refer to the transaction in which SunPower will spin off Maxeon Solar through a pro rata distribution to SunPower shareholders of 100% of our shares held by SunPower;
- "spin-off" refers collectively to the separation and the distribution; and
- "investment" shall refer to the anticipated transaction in which, immediately after the distribution, Tianjin Zhonghuan Semiconductor Co., Ltd., a PRC joint stock limited company ("TZS"), will purchase from us, for $298.0 million, additional shares that will, in the aggregate, represent approximately 28.848% of our outstanding shares after giving effect to the spin-off and the investment.

Unless otherwise indicated or required by the context, in this registration statement, our disclosure assumes that the consummation of the spin-off has occurred. Although we will not acquire each of our businesses until shortly before the spin-off, the operating and other statistical information with respect to each of our businesses is presented as of December 29, 2019, unless otherwise indicated, as if we owned such businesses as of such date.

MAXEON is a registered trademark of Maxeon Solar or its subsidiaries in various jurisdictions including the United States, and SUNPOWER is a registered trademark of SunPower Corporation in the United States and a registered trademark of Maxeon Solar or our subsidiaries in various jurisdictions other than the United States.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The unaudited pro forma combined financial information included in this Form 20-F is based on the combined financial statements of the Maxeon Business after giving effect to the spin-off and the investment and applying the estimates, assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined financial information. The historical column in the Unaudited Pro Forma Combined Statement of Operations for the year ended December 29, 2019 is derived from the Combined Statement of Operations of the Maxeon Business for the year ended December 29, 2019 included in this Form 20-F. The historical column in the Unaudited Pro Forma Combined Balance Sheet is derived from the Combined Balance Sheet of the Maxeon Business as of December 29, 2019 included in this Form 20-F. The unaudited pro forma combined financial information was prepared by our management for illustrative purposes and is not intended to represent our combined financial position or combined results of operations of the Maxeon Business in future periods or what the financial position or the results of operations actually would have been had we completed the proposed spin-off and investment during the specified periods or as of the specified date.

MARKET INFORMATION

This Form 20-F contains certain industry and market data that were obtained from third-party sources, such as industry surveys and industry publications, including, but not limited to, publications by Wood MacKenzie, Institute of Electrical and Electronics Engineers ("IEEE"), PV Infolink and Bloomberg New Energy Finance. This Form 20-F also contains other industry and market data, including market sizing estimates, growth and other projections and information regarding our competitive position, prepared by our management on the basis of such industry sources and our management's knowledge of and experience in the industry and markets in which we operate (including management's estimates and assumptions relating to such industry and markets based on that knowledge). Our management has developed its knowledge of such industry and markets through its experience and participation in these markets.

In addition, industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that any projections they contain are based on a number of significant assumptions. Forecasts, projections and other forward-looking information obtained from these sources involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section "Special Note About Forward-Looking Statements" below. You should not place undue reliance on these statements.

UNIT OF POWER

When referring to our solar power systems, our facilities' manufacturing capacity and total sales in this Form 20-F, the unit of electricity in watts for kilowatts ("KW"), megawatts ("MW") and gigawatts ("GW") is direct current ("DC"), unless otherwise noted as alternating current ("AC").

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Form 20-F contains certain "forward-looking statements" that involve risks and uncertainties. Forward-looking statements are statements that do not represent historical facts and the assumptions underlying such statements. We use words such as "anticipate," "believe," "continue," "could," "estimate," "potential," "expect," "intend," "may," "will," "would," "should," "plan," "predict," "project," "outlook" and similar expressions to identify forward-looking statements. Forward-looking statements in this Form 20-F include, but are not limited to: (a) our expectations regarding pricing trends, demand and growth projections; (b) anticipated product launch timing and our expectations regarding ramp, customer acceptance, upsell and expansion opportunities; (c) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (d) our upstream technology outlook, including anticipated fab utilization and expected ramp and production timelines for our Maxeon 5 and 6, next-generation Maxeon 7 and Performance Line solar panels, expected cost reduction, and future performance; (e) our strategic goals and plans, including partnership discussions with respect to our next generation technology, and our ability to achieve them; (f) our financial plans; (g) our expectation that the spin-off takes place as contemplated or at all; and (h) our expectations regarding the potential outcome, or financial or other impact on us or any of our businesses of the spin-off, or regarding potential future sales or earnings of us or any of our businesses or potential shareholder returns. You should not place undue reliance on these statements.

Such forward-looking statements are based on the current beliefs and expectations of management regarding future events, and are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward-looking statements. There can be no guarantee that: (i) any new products will be approved for sale in any market, or that any approvals which are obtained will be obtained at any particular time, or that any such products will achieve any particular revenue levels; (ii) we will be able to realize any of the potential strategic benefits or opportunities as a result of the spin-off; (iii) shareholders will achieve any particular level of shareholder returns; (iv) we, or any of our businesses, will be commercially successful in the future, or achieve any particular credit rating or financial results; or (v) the spin-off will be successful.

In particular, our expectations could be affected by, among other things:

- uncertainties regarding the impact of global economic conditions, particularly slowdowns, recessions, economic instability, political unrest, armed conflicts, natural disasters or outbreaks of disease, such as the existing COVID-19 pandemic, and the resulting impact on manufacturing and sales;
- competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing;

- our liquidity and substantial indebtedness;
- political and economic conditions and changes in public policy, including the imposition and applicability of tariffs;
- regulatory changes, including changes in tax laws and other local, state, and federal laws and regulations applicable to our business, and the availability of economic incentives promoting use of solar energy;
- the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships;
- fluctuations in our operating results;
- appropriately sizing our manufacturing capacity and containing manufacturing and logistics difficulties that could arise;
- challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships;
- potential product recalls;
- challenges in executing transactions key to our strategic plans;
- the potential volatility in the price of our shares; and
- uncertainties regarding future sales or dispositions of our shares.

Some of these factors are discussed in more detail in this Form 20-F, including under “Item 3. Key Information—3.D. Risk Factors,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Form 20-F as anticipated, believed, estimated or expected. We provide the information in this Form 20-F as of the date of its filing. We do not intend, and do not assume any obligation, to update any information or forward-looking statements set out in this Form 20-F as a result of new information, future events or otherwise.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

The Form 20-F has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Form 20-F and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our shares may not be issued, circulated or distributed, nor may our shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the conditions of a prospectus registration exemption under Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”).

WAIVER OF SINGAPORE CODE ON TAKE-OVERS AND MERGERS

On January 30, 2020, the Securities Industry Council of Singapore waived the application of the Singapore Code on Take-overs and Mergers to us, subject to certain conditions. Pursuant to the waiver, for as long as we are not listed on a securities exchange in Singapore, and except in the case of a tender offer (within the meaning of U.S. securities laws) where the Tier 1 exemption set forth in Rule 14d-1(c) under the Exchange Act (the “Tier 1 Exemption”) is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer regulations promulgated under the Exchange Act, the Singapore Code on Take-overs and Mergers shall not apply to us. In connection with receipt of the waiver, the Board of Directors of SunPower (the “SunPower Board”) submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon Solar shares as a result of the spin-off that a waiver of the provisions of the Singapore Code on Take-overs and Mergers is obtained.

SUMMARY

This summary highlights selected information from this Form 20-F and provides an overview of our company, our separation from SunPower and the distribution by SunPower of our shares to our shareholders. For a more complete understanding of our business and the spin-off, you should read this entire Form 20-F carefully, particularly the discussion under "Item 3. Key Information—3.D. Risk Factors" of this Form 20-F and our combined financial statements and the notes to those financial statements appearing elsewhere in this Form 20-F.

Overview

We are one of the world's leading global manufacturers and marketers of premium solar power technology. We have developed and maintained this leadership position through decades of technological innovation and investment, in addition to the development of sales and distribution channels across six continents. Headquartered in Singapore, we manufacture our solar cells in Malaysia and the Philippines, assemble solar cells into panels in France, Mexico and China (through our joint venture, Huansheng), and sell our products across more than 90 countries.

Our solar cells and panels have the highest conversion efficiency in the industry, a measurement of the amount of sunlight converted by the solar cell into electricity. We achieve this performance through two product technologies: the "Maxeon Line," which utilizes our interdigitated back contact ("IBC") technology, and the "Performance Line," which utilizes our shingled cell technology.

For the Maxeon Line, our technological advantage is the result of innovative device architecture and manufacturing which produces back-contact, back-junction cells that enable our panels to deliver more electricity, last longer and more effectively resist degradation. We believe that our technology allows us to deliver:

- superior performance, with our technology having the ability to generate up to 35% more power using the same area of conventional solar cell;
- superior energy yield per rated watt of power of up to 8% annually compared with conventional panels;
- superior reliability, which results in the industry's lowest degradation rate and up to 55% more energy in any given amount of roof space over the first 25 years of a system's operation as compared to conventional panels;
- solar systems that are designed to generate electricity over a system life typically exceeding 25 years and backed by a combined product and power warranty covering the same period; and
- superior aesthetics, with our uniformly black surface design that eliminates highly visible reflective grid lines and metal interconnection ribbons.

For the Performance Line, our technological advantage is the result of a solar cell-shingling manufacturing process that enables our panels to deliver more electricity, have higher reliability and greater resilience to environmental effects as compared with the products of our competitors. We believe that our technology allows us to deliver:

- high efficiency (20%) panels at a competitive price, utilizing conventional passivated emitter and rear cell ("PERC") solar cells;
- superior reliability, which results in the industry's lowest degradation rate and up to 25% more energy in any given amount of roof space over the first 25 years of a system's operation as compared to conventional panels; and

- patented string design which enhances energy yield, limits power loss due to shading and dirt build-up, enables closer row spacing and reduces installation cost.

Combined with our superior technology, we believe that our business is further differentiated from our competitors through our market expertise, differentiated brand, and global distribution channels that have resulted in us having strong market position across distributed generation markets globally. Our business and commercial differentiating factors include:

- well-established supply chain and distribution channels derived from what we believe to be unmatched market experience and a long-standing leadership position;
- long-term customer relationships in key markets and applications;
- well established brand with a reputation for superior product quality and performance;
- manufacturing facilities strategically located worldwide targeting cost reduction and logistics optimization throughout the supply chain;
- deep global presence and exposure to some of the fastest growing distributed generation solar end markets in the world; and
- strategic partnerships with companies that lead globally in areas such as distribution channel, supply chain and technological development.

With our Performance Line joint venture, Huansheng, we have a compelling product for the large commercial and power plant markets, and have been building our presence in these markets through a strong international presence, brand and reputation for quality and innovation.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a pandemic, which continues to spread globally and has resulted in authorities implementing numerous measures to contain the virus, including travel bans and restrictions, quarantines, shelter-in-place orders and business limitations and shutdowns. While we are unable to accurately predict the full impact that the COVID-19 pandemic will have on our operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the duration and severity of the pandemic and containment measures, our compliance with these measures has impacted our business and operations and could disrupt that of our customers, suppliers and other counterparties.

In an effort to protect the health and safety of our employees, we took proactive actions from the earliest signs of the outbreak to adopt social distancing policies at our locations around the world, including working from home and suspending employee travel. Further, we recently implemented a number of initiatives to proactively address financial and operational impacts of the COVID-19 pandemic and position us well for when the solar industry returns to strong growth. These actions include temporarily reducing the salaries of certain of our executive officers, temporarily implementing a four-day work week for a portion of our employees, subject to periodic reassessment, to address reduced demand and workloads, with exceptions for certain groups, including those supporting customer and asset services, as well as the temporary idling of our factories in France, Malaysia, Mexico and the Philippines, consistent with actions taken or recommended by governmental authorities. All of our factories have resumed production as of May 2020 in accordance with the relevant local restrictions and with additional safety measures to protect our employees.

We will continue to actively monitor the situation and may take further actions to alter our business operations that we determine are in the best interests of our employees, customers, partners, suppliers, and stakeholders, or as

required by federal, state, or local authorities. It is not clear what the potential effects any such alterations or modifications may have on our business, including the effects on our customers, employees and outlook.

Our Markets

Solar has become one of the fastest growing renewable energy sources over the last few decades. According to recent estimates from Wood MacKenzie, through effective investments and projects, the solar market has achieved more than 600 GW of global installed capacity as of 2019, representing an average compound annual growth rate of 40% since 2009, with significant acceleration in the most recent years.

As solar technology has developed, manufacturing costs have declined and performance has improved. Today, solar power, together with enhanced balance of system technology, has among the lowest levelized cost of energy ("LCOE") of all major energy sources.

In the long term, this trend is expected to continue and even accelerate, according to Bloomberg New Energy Finance. By 2050, solar technology is expected to represent more than 40% of global electricity capacity, with a balanced distribution among key regions worldwide—a significant increase compared to its current penetration of approximately 5% of global capacity.

We believe the following factors have driven and will continue to drive demand in the global solar power industry, including demand for our products:

- solar generation costs have fallen to the point where solar power is one of the lowest cost electricity sources on a LCOE basis in certain regions;
- renewable energy is one of the most relevant topics and targets of government incentives and policies as a result of increased concerns regarding climate change;
- solar power is at the center of public discussion, which helps to grow public awareness of its advantages, such as peak energy generation, significantly smaller fuel and supply chain risk, sustainability from an environmental perspective, scalability and reliability;
- structural limitations for fossil fuel supply and issues around energy security increasing the long-term demand for alternative sources of energy;
- significant secular increase in electricity demand; and
- solar energy as a viable option to generate energy in developing countries, rural areas, and regions without indigenous fuel resources.

Our Business

Following the spin-off, we will be one of the world's leading global manufacturers and marketers of premium solar technology. We have developed and maintained this leadership position through decades of technological innovation and investment, in addition to the development of sales and distribution channels supplying customers in more than 100 countries on six continents. We will own and operate solar cell and panel manufacturing facilities located in France, Malaysia, Mexico and the Philippines, as well as participate in a joint venture for panel manufacturing in China with TZS. During the fiscal year ended December 29, 2019, 23.9% of our sales (by megawatt) were to North America, 28.1% to EMEA, 42.8% to Asia Pacific and 5.2% to other markets. During the fiscal year ended December 30, 2018, 34.6% of our sales (by megawatt) were to North America, 35.8% to EMEA, 28.6% to Asia Pacific and 1.0% to other markets.

Our primary products are the Maxeon Line of IBC solar cells and panels, and the Performance Line (formerly, "P-Series") of shingled solar cells and panels. We believe the Maxeon Line of solar panels are the

highest-efficiency solar panels on the market with an aesthetically pleasing design, and the Performance Line of solar panels offer a high-value, cost-effective solution for large-scale applications compared to conventional solar panels. The Maxeon Line, which includes Maxeon 2 (marketed as E-Series in the United States), Maxeon 3 (marketed as X-Series in the United States) and Maxeon 5 (marketed as A-Series in the United States) solar panels, is primarily targeted at residential and small-scale commercial customers across the globe. The Performance Line was initially targeted at the large-scale commercial and utility-scale power plant markets, but has proven to be attractive to our customers in the distributed generation markets as well. During the fiscal year ended December 29, 2019, approximately 48.3% of our sales were products in our Maxeon Line and the other 51.7% were products in our Performance Line, with 63.4% of our total volume sold for distributed generation applications and approximately 36.6% for power plant applications. During the fiscal year ended December 30, 2018, approximately 73.8% of our sales were products in our Maxeon Line and the other 26.2% were products in our Performance Line, with 67.0% of our total volume sold for distributed generation applications and approximately 33.0% for power plant applications.

Our proprietary technology platforms, including the Maxeon Line and Performance Line, target distinct market segments, serving both the distributed generation and power plant markets. This ability to address the full market spectrum allows us to benefit from a range of diverse industry drivers and retain a balanced and diversified customer base.

We believe that our Maxeon Line of IBC technology stands apart from the competition in key metrics that our customers value, including efficiency, energy yield, reliability and aesthetics. We believe the combination of these characteristics enables the delivery of an unparalleled product and value proposition to our customers. Our Maxeon 3 and 5 panels deliver 55% more energy in any given amount of roof space over the first 25 years, as compared to conventional panels.

Our Performance Line technology is designed to deliver higher performance than using conventional panels. This is possible due to several patented features and improvements we have employed in our product. One of our main differentiators from the competition is our shingled design, which delivers approximately 5% higher efficiency than mono-PERC panels due to its reduced electrical resistance and more light absorption given the absence of reflective copper lines and less white space. In addition, our Performance Line’s robust shingled cells and advanced encapsulant are highly resistant to thermal stresses, humidity, and potential-induced degradation.

Our Strengths

We believe the following strengths of our business distinguish us from our competitors, enhance our leadership position in our industry and position us to capitalize on the expected continued growth in our market:

- *Leading provider of premium solar technology*. Our established leadership position in solar technology is grounded in over 35 years of experience. Over that time, our solar technology has been awarded over 800 patents. We have also made substantial investments in research and development, having invested more than $462.0 million since 2007, which is more than any other crystalline panel manufacturer. Together, these factors have allowed us to create truly differentiated products which have maintained a 25% relative efficiency advantage over the industry average solar panel efficiency since 2012.
- *Established unique sales, marketing, and distribution channels in each of our key markets*. We have built relationships with dealer/installers, distributors, and white label partners globally to ensure reliable distribution channels for our products. As examples, we have over 370 sales and installation partners in the Asia Pacific region, over 750 in the Europe, Middle East and Africa region, and 25 in Latin America. In North America, we have a two-year renewable exclusive contract with SunPower for our products to be used in its distributed generation business.

- *Well-positioned to capture growth across solar markets*. We believe solar growth will be driven by strong expansion in both distributed generation and power plant applications. Over the past three years we grew our total MW deployed by over 99% in EU distributed generation markets, and by a multiple of three in Australia. We also believe that our technology, with superior efficiency and lower degradation rates, provides significant advantages to customers in the distributed generation market.
- *Unique cutting edge innovative technology*. Our Maxeon 3 and 5 panels have the highest cell efficiency among panels currently in commercial production. We also believe that our current technology stands apart from the competition on every meaningful performance metric, including efficiency, energy yield, reliability and aesthetics. Additionally, our Performance Line shingled cell technology delivers 13% more power compared to conventional panels, allowing us to achieve a diverse sales base across both distributed generation and the utility power plant markets.
- *Strategic partnerships with top tier companies worldwide*. Our strategic relationship with SunPower provides valuable access to a leading solar distribution business in North America and a market-leading brand platform for international market growth. We have a historical supply relationship with Total S.A., who is active in the global downstream solar market, and who will be one of our major shareholders after the spin-off. We also seek to have strategic partnerships across the business chain, as exemplified by our relationship with TZS, which provides valuable connections in Asia's supply chain and distribution channels, as well as research and development collaboration between companies pushing the technological frontier.
- *Unmatched investment in research and development, translating into next-generation leading products*. Our superior technology has been key to our leadership position. Through efficient, disciplined and business-oriented investments, we were able to develop patent-protected technology which we expect to leverage in our next-generation products. Our Maxeon 7 panels are expected to achieve an even higher efficiency while allowing for reduced costs given its dramatically simplified process (up to 30% fewer process steps). We expect this next-generation solar panel to achieve superior performance at commodity costs, unlocking mass market adoption and commercialization through multiple pathways.
- *Recent revenue and earnings growth has driven improved financial returns*. We have significantly increased our distributed generation sales over the last several years. This top line increase has been coupled with accelerated margin expansion through innovations in both our Maxeon and Performance Line technologies. Our larger operating scale and simpler manufacturing processes have driven this margin expansion.
- *Experienced management team.* We have a strong and experienced management team. Our Chief Executive Officer, Jeff Waters, has served as Chief Executive Officer of SunPower's SunPower Technologies business unit since January 2019 and has 15 years of experience as an executive in the technology industry. Our Chief Financial Officer, Joanne Solomon, is a seasoned executive with more than 30 years of experience and joined the company in January 2020 and most recently served since 2017 as Chief Financial Officer for Katerra Inc. Our Chief Legal Officer, Lindsey Wiedmann, has been with SunPower for a decade and will lead our global legal and sustainability teams. Our Chief Operations Officer, Markus Sickmoeller, is responsible for manufacturing, quality, supply chain, cell technology deployment and environment, health and safety globally after joining SunPower in late 2015 to start the Maxeon 3 cell factory in the Philippines. Peter Aschenbrenner, our Chief Strategy Officer, has more than 40 years of solar industry experience.

Our Strategy

We are strategically positioned to deploy advanced solar technologies at scale. We draw on 35 years of technology innovation around high-performance solar products and well-established global channels as we

separate from SunPower into an independent publicly traded company. Upon consummation of the spin-off, our primary focus will include:

- *Increasing the production capacity of Maxeon 5 and 6.* The brownfield build-out of Maxeon 5 and 6, leveraging existing facilities and operational expertise combined with increased scale and simplified process, is expected to deliver 50% reductions in capital intensity and factory space requirements as well as reduced cell conversion cost (as compared to the Maxeon 2 technology that it is replacing).
- *Maxeon 7 future opportunity*. Maxeon 7, currently in development, has the potential to achieve further process simplification and reduction in capital expenditures and cell conversion cost.
- *Enhancing our access to the low-cost Asia-centric supply chain and expanding our global channels to market*. We will have access to our strategic partner TZS's knowledge of upstream supply markets and distribution channels in Asia. In addition, we will be able to leverage access to TZS's silicon wafers to enhance our Performance Line and Maxeon Line technologies.
- *Optimizing our strategic supply relationships with SunPower and Huansheng*. We believe that the maintenance and optimization of our current strategic supply relationships are crucial to support our current global leadership position along with maintaining our exposure to key and growing markets worldwide.
- *Leveraging our established distributed generation channels to drive continued growth.* As a leading distributed generation player, we have a robust sales and marketing platform to access key markets around the world. The expansion of this network is a vital element for future growth.
- *Enhancing our financial performance through our superior technology, manufacturing processes and strategy*. We believe we have the ability to translate our superior technology into strong financial returns as we couple our premium average selling prices with enhanced manufacturing processes and a scalable low-cost footprint, resulting in rapidly expanding margins and cash generation.
- *Increasing our capital efficiency and establishing direct access to capital markets*. As part of the planned separation, we seek to enhance our capital efficiency, as well as improve strategic alignment with our stakeholders through direct access to capital markets. Initial funding of full technological transformation to Maxeon 5 and 6 is key to growing our market leading position.

With our corporate headquarters in Singapore and existing manufacturing facilities in Malaysia, the Philippines, and China (through our joint venture Huansheng), we believe our significant Asian presence will help strengthen relationships and sourcing arrangements across our supply chain as well as provide us access to the large Chinese solar market. Following the investment from TZS, we expect to increase our Performance Line capacity in the joint venture to eight gigawatts and convert our Fab 3 manufacturing facility from Maxeon 2 to Maxeon 5 and 6 manufacturing capacity. As of December 29, 2019, we had over 1.5 gigawatts of manufacturing capacity and contractual access to over 1.3 gigawatts of Performance Series supply from our Huansheng joint venture.

Reasons for the Spin-Off

We and SunPower believe that the spin-off will provide a number of benefits to our business, to the business of SunPower and to SunPower shareholders. While the planned separation was principally structured to facilitate the anticipated investment by TZS into the Maxeon Business, we also believe that, as two distinct publicly traded companies, SunPower and Maxeon Solar will be better positioned to capitalize on significant growth opportunities and focus resources on their respective businesses and strategic priorities. SunPower and the SunPower Board considered a wide variety of factors in their initial evaluation of the proposed spin-off, including the following anticipated benefits:

- facilitation of TZS's proposed investment into the Maxeon Business;

- accelerated scale-up of Maxeon 5 and 6 capacity due to the TZS investment, and resultant improved profitability;
- accelerated development and commercialization of Maxeon 7 technology as a result of the investment and the Collaboration Agreement we plan to enter into with SunPower;
- access to low-cost supply chain and equipment;
- differentiated product platform and increased focus on established global channels;
- strategic supply relationships with SunPower and TZS;
- enhanced strategic and management focus;
- more efficient allocation of capital due to increased business focus;
- direct access to capital markets as a separate publicly traded company; and
- more direct alignment of incentives with performance objectives.

Neither we nor SunPower can assure you that, following the spin-off, any of the benefits described above or otherwise described in this Form 20-F will be realized to the extent or at the time anticipated or at all. See also “Item 3. Key Information—3.D. Risk Factors.”

SunPower and the SunPower Board also considered a number of potentially negative factors in their initial evaluation of the potential spin-off, including the following:

- disruptions to the business as a result of the separation;
- increased significance of certain costs and liabilities;
- one-time costs of the spin-off or ongoing costs after the spin-off;
- potential inability to realize anticipated benefits of the spin-off; and
- our covenants and obligations pursuant to the Separation and Distribution Agreement, the Tax Matters Agreement, and other agreements entered into in connection with the separation.

SunPower and the SunPower Board believe that the anticipated benefits of the spin-off outweigh these factors. However, the completion of the spin-off remains subject to the satisfaction, or waiver by the SunPower Board, of a number of conditions. We describe these benefits and certain other factors considered by SunPower and the SunPower Board, as well as conditions to the closing, in greater detail under “Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off.”

Risks Associated with Our Business and the Spin-Off

Our business is subject to numerous risks, including:

- uncertainties regarding the expected benefits of the spin-off, and costs associated with being a standalone public company;
- the severity, duration and spread of the COVID-19 pandemic and the impacts of the pandemic (as well as the efforts to contain it) on our operations and financial performance, our industry, our suppliers and our customers;
- business risks associated with significant international activities and customers;
- dependence on a limited number of third-party suppliers for raw materials and components;
- costs associated with protecting our intellectual property;

- potential volatility in the price of our shares after the spin-off;
- uncertainties regarding future sales or dispositions of our shares; and
- the other factors described in the "Risk Factors" section of this Form 20-F.

Neither we nor SunPower can assure you that, following the separation and spin-off, any of the benefits described in this Form 20-F will be realized to the extent or at the time anticipated or at all. For additional information, please read carefully the risks described under "Item 3. Key Information—3.D. Risk Factors."

Our Capitalization

The investment agreement providing for the TZS investment (the "Investment Agreement") requires that we and SunPower will use our reasonable best efforts to arrange and obtain debt financing on terms that are no less favorable to us than the acceptable financing terms agreed to in the Investment Agreement. If any portion of the debt financing becomes unavailable, we and SunPower will use reasonable best efforts to arrange to obtain alternative debt financing from internationally recognized financing sources to be funded at the closing in an amount sufficient to replace any unavailable portion of the debt financing on the best terms and conditions then available to us, which terms will be no less favorable to us than the acceptable financing terms agreed to in the Investment Agreement. Arrangement of such financing is a condition to the closing of the TZS investment.

We expect that, prior to the spin-off, we will enter into various debt financing arrangements providing for a total available borrowing capacity of up to approximately $325.0 million. Specifically, we expect to enter into a term loan facility in an approximate amount of $55.0 million and to enter into or have access to revolving credit and working capital facilities providing for available borrowings of approximately $95.0 million. The remaining financing arrangements may include term loans, revolving credit facilities or offerings of debt or equity-linked debt securities. We intend to publicly disclose the material terms of such debt financing arrangements prior to the consummation of the spin-off.

We believe that the debt financing arrangements that we expect to enter into would satisfy the debt financing closing condition in the Investment Agreement. While we currently expect to be able to arrange such financing, there can be no guarantee that we will be able to do so on the terms required by the Investment Agreement. Because it is a condition to the spin-off that all of the conditions precedent to completion of the TZS investment contemplated by the Investment Agreement (other than certain conditions of TZS) have been satisfied or waived, if we are unable to satisfy the debt financing closing condition, and such condition is not waived by TZS, the spin-off would not occur.

Corporate Information

We are incorporated under the laws of Singapore in accordance with the Singapore Companies Act. We are registered with the ACRA under "Maxeon Solar Technologies, Pte. Ltd." Following the separation and prior to the distribution, we will convert to a public company under the Singapore Companies Act and will change our name to "Maxeon Solar Technologies, Ltd." and amend our constitution to a public company constitution as described in this Form 20-F (the "Constitution"). We were formed by SunPower in connection with our separation from SunPower, for an unlimited duration, effective as of the date of our incorporation with ACRA on October 11, 2019.

We are domiciled in Singapore and our registered office is located at 8 Marina Boulevard #05-02, Marina Bay Financial Centre, 018981, Singapore, which also currently serves as our principal executive offices, and our telephone number is +65 6338 1888.

Implications of Being a Foreign Private Issuer and Being Treated as an Emerging Growth Company

Foreign Private Issuer

Upon consummation of the spin-off, we will report under the Exchange Act as a non-U.S. company with foreign private issuer ("FPI") status. As long as we qualify as an FPI under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the Securities and Exchange Commission ("SEC") of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

Notwithstanding these exemptions, we will file with the SEC, within four months after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm.

We may take advantage of these exemptions until such time as we are no longer an FPI. We would cease to be an FPI at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States.

Emerging Growth Company

We are treated as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), because we qualified as an emerging growth company at the time we first confidentially submitted this registration statement on Form 20-F to the SEC. Accordingly, we are eligible to comply with reduced disclosure requirements applicable to emerging growth companies until the earlier of the effective date of the spin-off and January 3, 2021. These reduced disclosure requirements and exemptions include:

- the ability to include only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- to the extent that we no longer qualify as a foreign private issuer ("FPI"), reduced disclosure obligations regarding executive compensation in this registration statement; and
- an exemption from compliance with the requirement that the Public Company Accounting Oversight Board has adopted regarding a supplement to the auditor's report providing additional information about the audit and the financial statements for this registration statement.

As a result, the information contained in this Form 20-F may be different from the information you receive from other public companies in which you hold shares.

Both FPIs and emerging growth companies also are exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain an FPI, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor an FPI.

Summary Historical and Pro Forma Combined Financial Information

The following table sets forth summary financial information for the periods and dates indicated below and should be read together with our combined financial statements and related notes, the unaudited pro forma combined financial information and related notes, "Item 3. Key Information—3.B. Capitalization and Indebtedness" and "Item 5. Operating and Financial Review and Prospects" appearing elsewhere in this Form 20-F. We derived the summary historical statement of operations data for the years ended December 29, 2019 and December 30, 2018 and the summary historical balance sheet data as of December 29, 2019 and December 30, 2018 from our combined financial statements and related notes appearing elsewhere in this Form 20-F.

The summary unaudited pro forma combined financial information was prepared to reflect adjustments to our historical financial results in connection with the spin-off and the investment by TZS, including securing $325.0 million of indebtedness. We derived the summary unaudited pro forma combined statement of operations data for the year ended December 29, 2019 and the summary unaudited pro forma combined balance sheet data as of December 29, 2019 from our unaudited pro forma combined financial information that appears elsewhere in this Form 20-F. The unaudited pro forma combined statement of operations data give effect to the spin-off and the investment as if these transactions had occurred at December 31, 2018. The unaudited pro forma combined balance sheet data give effect to the spin-off and the investment as if these transactions had occurred as of December 29, 2019. The assumptions used, and pro forma adjustments derived from such assumptions, were based on currently available information and we believe such assumptions were reasonable under the circumstances.

The summary unaudited pro forma combined financial information is not necessarily indicative of our results of operations or financial condition had the spin-off and our anticipated post-separation capital structure been completed and implemented on the dates assumed. In addition, the summary financial data is not intended to replace our combined financial statements and related notes. Our historical results could differ from those that would have resulted if we operated autonomously or as an entity independent of SunPower in the periods for which historical financial data is presented below, and such results are not necessarily indicative of results that may be expected in the future.

For additional details regarding the preparation of our combined financial statements and unaudited pro forma combined financial information, please see "Item 5. Operating and Financial Review and Prospects—5.A. Operating Results—Basis of Presentation," "Note 1. Background and Basis of Presentation" to our combined financial statements and the notes to our unaudited pro forma combined financial information appearing elsewhere in this Form 20-F.

We prepare our combined financial statements in accordance with GAAP.

	Fiscal Year Ended December 29		Fiscal Year Ended December 30
	2019	(Pro Forma) 2019 (Unaudited)	2018
	(dollars in thousands, except per share data)		
Statement of Operations Data:			
Revenue	$1,198,301	$1,198,301	$ 912,313
Gross (loss) profit	(2,309)	5,383	(449,929)
Operating loss	(135,646)	(125,872)	(589,767)
(Provision for) benefit from income taxes	(10,122)	(10,122)	1,050
Net loss	(178,902)	(161,246)	(604,080)
Net loss attributable to the Parent	(183,059)	(165,403)	(603,814)
Basic and diluted net loss per share attributable to the Parent	—	(6.50)	—
Basic and diluted weighted-average shares	—	25,438	—

	As of December 29		As of December 30
	2019	(Pro Forma) 2019 (Unaudited)	2018
		(dollars in thousands)	
Balance Sheet Data:			
Cash and cash equivalents	$120,956	$ 390,125	$ 101,713
Total assets	990,211	1,228,835	971,303
Short-term debt	60,383	60,383	39,714
Long-term debt	1,487	168,612	2,135
Total equity	367,523	453,345	435,348

For additional information, see the unaudited pro forma combined financial information and related notes appearing elsewhere in this Form 20-F.

The Spin-Off

Overview

On November 11, 2019, SunPower announced plans to separate into two independent, complementary, strategically aligned and publicly traded companies—Maxeon Solar Technologies, Ltd., which will own and operate solar cell and panel manufacturing facilities located in France, Malaysia, Mexico and the Philippines and will be comprised of technology and manufacturing upstream operations and international sales capability, comprising substantially all of the international portion of SunPower's SunPower Technologies business unit, and SunPower Corporation, a pure-play distributed generation energy services company focused on product innovation, downstream high efficiency solar systems and storage and energy services. The planned separation was structured to facilitate the investment by Tianjin Zhonghuan Semiconductor Co., Ltd., a PRC joint stock limited company ("TZS"), into us. As two distinct publicly traded companies, we also believe both SunPower and Maxeon Solar will be better positioned to capitalize on significant growth opportunities and focus resources on their respective businesses and strategic priorities. See "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Reasons for the Spin-Off."

To implement the separation, SunPower will first transfer its solar cell and panel manufacturing facilities located in France, Malaysia, Mexico and the Philippines and technology and manufacturing upstream operations and international sales capability to us, and will subsequently distribute all of our shares held by SunPower to SunPower shareholders, pro rata to their respective holdings. Each SunPower shareholder will receive one Maxeon Solar share for every eight SunPower shares they hold or have acquired and do not sell or otherwise dispose of prior to the close of business on , 2020. The distribution is intended to be tax-free to SunPower shareholders for Singapore withholding and income tax and for U.S. federal income tax purposes. An application will be made to list our shares on NASDAQ under the symbol "MAXN" and trading in our shares is expected to begin on the NASDAQ on , 2020.

To enable the separation, prior to the spin-off, SunPower will complete the Internal Transactions as described under "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us" or "Internal Transactions."

In connection with the distribution, on November 8, 2019, Maxeon Solar, SunPower and, for the limited purposes set forth therein, Total Solar INTL SAS ("Total"), an affiliate of Total S.A., and TZS entered into the Investment Agreement pursuant to which, immediately following the distribution and in exchange for a purchase price of $298.0 million, TZS will acquire and we will issue additional ordinary shares representing approximately 28.848% of the total number of our outstanding shares immediately following the distribution and TZS investment. In connection with the TZS investment, Maxeon Solar, Total and TZS will enter into a Shareholders Agreement relating to certain rights and obligations of each of Total and TZS as a holder of our ordinary shares. We expect that the TZS investment will finance continued scale-up of Maxeon 5 and 6 capacity and development of our next-generation Maxeon 7 panels, which we believe will allow us to increase our distributed generation market share and accelerate profit growth.

On November 8, 2019, we entered into a Separation and Distribution Agreement with SunPower related to the separation and distribution, and we intend to enter into several other agreements with SunPower prior to completion of the spin-off to effect the separation and provide a framework for our relationship with SunPower after the spin-off. These agreements will be of short-term duration, will govern the relationship between us and SunPower up to and after completion of the spin-off, and will allocate between us and SunPower various assets, liabilities and obligations, including supply arrangements, employee benefits, intellectual property and tax-related assets and liabilities. See "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions" for more detail.

Completion of each of the spin-off and the investment is subject to the satisfaction, or waiver by the SunPower Board, of a number of conditions. See "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off" for more detail.

Questions and Answers About the Spin-Off

The following provides only a summary of and certain questions relating to the terms of the spin-off. You should read the section entitled "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off" below in this Form 20-F for a more detailed description of the matters identified below.

Q: Why am I receiving this document?

A: SunPower has made this document available to you because you are a holder of SunPower shares. If you hold or have acquired and do not sell or otherwise dispose of your SunPower shares prior to the close of business on , 2020, you will be entitled to receive one Maxeon Solar share for every eight of your SunPower shares. An application will be made to list our shares on the NASDAQ. This document will help you understand how the separation and distribution will affect your investment in SunPower and your investment in us after the spin-off.

Q: How will the spin-off of Maxeon Solar from SunPower work?

A: To accomplish the spin-off, SunPower will distribute all of our shares held by SunPower to holders of SunPower shares on a pro rata basis. You will not receive fractional Maxeon Solar shares and will instead receive cash upon the sale of the aggregated fractional shares in lieu of any fractional shares. For more information, see "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-off—Treatment of Fractional Shares." Following the spin-off, we will be an independent, publicly traded company, and SunPower will not retain any ownership interest in us. See also "Item 7. Major Shareholders and Related Party Transactions—7.A. Major Shareholders."

Q: Why is the separation of Maxeon Solar structured as a spin-off?

A: SunPower believes that a tax-free distribution to SunPower shareholders for Singapore withholding and income tax and for U.S. federal income tax purposes of all our shares held by SunPower to SunPower shareholders is an efficient way to facilitate the TZS investment and separate the international portion of its SunPower Technologies business unit in a manner that will create long-term benefits for both the SunPower and Maxeon Solar businesses.

Q: When will Maxeon Solar shares begin to trade on a standalone basis?

A: We will become a standalone public company, independent of SunPower, on , 2020, or the distribution date, and our shares will commence "regular-way" trading on a standalone basis on the NASDAQ at market open on , 2020 (9:30 a.m. New York City time on the NASDAQ). See also "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Listing and Trading of Maxeon Solar Shares."

Q: What will be the ticker symbol of the Maxeon Solar shares that SunPower shareholders will receive in the spin-off?

A: Our shares are expected to trade on the NASDAQ under the ticker symbol "MAXN."

Q: When will SunPower shares cease to trade with the right to receive Maxeon Solar shares?

A: The last day of trading of SunPower shares with the right to receive our shares on the NASDAQ will be , 2020. This means that any SunPower shares that you hold or acquire and do not sell or otherwise dispose of prior to the close of business on , 2020 will include the right to receive our shares.

See "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—When and How You Will Receive Maxeon Solar Shares" for more information.

Q: What is "regular-way" and "ex-distribution" trading of SunPower shares?

A: It is expected that, beginning on or shortly before the record date and continuing up to and through the distribution date, there will be two markets in SunPower shares on NASDAQ: a "regular-way" market and an "ex-distribution" market. SunPower shares that trade in the "regular-way" market will trade with an entitlement to Maxeon Solar shares to be distributed pursuant to the distribution. SunPower shares that trade in the "ex-distribution" market will trade without an entitlement to Maxeon Solar shares to be distributed pursuant to the distribution.

If you decide to sell any SunPower shares before the distribution date, you should make sure your bank, broker or other nominee understands whether you want to sell your SunPower shares with or without your entitlement to Maxeon Solar shares pursuant to the distribution.

Q: What do I have to do to participate in the spin-off?

A: *Holders of SunPower shares held in book-entry form with a bank or broker.* Most SunPower shareholders hold their SunPower shares through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the shares in "street name" and ownership would be recorded on the bank's or brokerage firm's books. If a SunPower shareholder holds their SunPower shares through a bank or brokerage firm, their bank or brokerage firm will credit their account for the Maxeon Solar shares that they are entitled to receive in the distribution. If SunPower shareholders have any questions concerning the mechanics of having shares held in "street name," they should contact their bank or brokerage firm.

Holders of SunPower physical share certificates. Following the consummation of the spin-off, all registered SunPower shareholders holding physical share certificates who have previously provided a valid mailing address to SunPower will have received a notice with instructions on how to receive Maxeon Solar shares in the spin-off. If you have not received such a notice from SunPower by , 2020, please contact SunPower Share Registry by telephone at 1-877-373-6374 (in the United States) or 1-781-575-2879 (outside the United States) or by online inquiry at https://www-us.computershare.com/investor/Contact. For more information, see "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—When and How You Will Receive Maxeon Solar Shares," as well as "—Where can I get more information?" below.

The spin-off will not affect the number of outstanding SunPower shares or any rights of SunPower shareholders, although it will affect the market value of each outstanding SunPower share. See "—Will the spin-off affect the trading price of my SunPower shares?" below.

Q: Will there be any "when-issued" trading of Maxeon Solar shares before , 2020?

A: We anticipate that trading in our shares will begin on a "when-issued" basis approximately two trading days before the record date and will continue up to and through the distribution date and that

"regular-way" trading in our shares will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell our shares up to and through the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for our shares before, on or after the distribution date.

Q: How many Maxeon Solar shares will I receive in the spin-off?

A: SunPower will distribute to you one Maxeon Solar share for every eight SunPower shares that you hold or have acquired and do not sell or otherwise dispose of prior to the close of business on , 2020. The total number of our shares that SunPower will distribute will depend on the total number of issued SunPower shares (excluding treasury shares held by SunPower and its subsidiaries) as of , 2020. The Maxeon Solar shares that SunPower distributes will constitute all of our shares held by SunPower immediately prior to the spin-off. Pursuant to the Investment Agreement with TZS, however, we have agreed to issue additional shares representing approximately 28.848% of the total number of our outstanding shares immediately following the spin-off and investment. For additional information on the spin-off, see "Item 4. Information and Development of the Company—4.A. History and Development of the Company—The Spin-Off—When and How You Will Receive Maxeon Solar Shares," for additional information on the TZS investment, see "Item 7. Major Shareholders and Related Party Transactions—Item 7.B. Related Party Transactions—Agreements Between Us and TZS and/or Total in Connection with TZS Investment—Investment Agreement," and for additional information on our expected share capital following the spin-off, see "Item 10. Additional Information—10.A. Share Capital."

Q: How will fractional shares be treated in the spin-off?

A: SunPower will not distribute any fractional Maxeon Solar shares in connection with the spin-off. Instead, except as otherwise described in "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-off—Treatment of Fractional Shares," Computershare Trust Company, N.A. ("Computershare"), the SunPower share registrar and transfer agent, will send to each registered SunPower shareholder entitled to a fractional share a cash payment in lieu of that shareholder's fractional share on or around , 2020. If you hold your SunPower shares through the facilities of the DTC or otherwise through a bank, broker or other nominee, your custodian, bank, broker or nominee will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales of fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares. The receipt of cash in lieu of fractional shares will generally be taxable to the recipient shareholders for U.S. federal income tax purposes and will, in certain circumstances, be taxable to the recipient shareholders for Singapore income tax purposes, as described in greater detail in "Item 10. Additional Information—10.E. Taxation—Material U.S. Federal Income Tax Considerations" and "—Material Singapore Tax Considerations." See "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-off—Treatment of Fractional Shares" for more detail.

Q: What will happen to the listing of SunPower shares?

A: After the spin-off, SunPower shares will continue to trade on the NASDAQ under the symbol "SPWR."

Q: Will the number of SunPower shares I own change as a result of the spin-off?

A: No, the number of SunPower shares you own will not change as a result of the spin-off.

Q: Will the spin-off affect the trading price of my SunPower shares?

A: Yes. As a result of the spin-off, SunPower expects the trading prices of SunPower shares in the "regular-way" market at market open on the trading day following the distribution date will be lower than the trading prices in the "regular-way" market at market close on the distribution date, because the trading prices will no longer reflect the value of the Maxeon Business. There can be no assurance that the aggregate market value of the SunPower shares and our shares following the spin-off and after giving effect to the investment by TZS will be higher than, equal to or lower than the market value of SunPower shares if the spin-off did not occur. This means, for example, that the combined trading prices of eight SunPower shares and one Maxeon Solar share after market open following the distribution date may be equal to, greater than or less than the trading prices of one SunPower share prior to the distribution date. In addition, your SunPower shares sold in the "ex-distribution" market (as opposed the "regular-way market") will reflect an ownership interest solely in SunPower and will not include the right to receive any of our shares in the spin-off, but may not yet accurately reflect the value of such SunPower shares excluding the Maxeon Business.

Q: What is the expected date of completion of the spin-off?

A: It is expected that the Maxeon Solar shares that eligible holders of SunPower shares are entitled to receive in the spin-off will begin trading separately from SunPower shares on , 2020. This is the date that we will become a standalone public company, independent of SunPower. However, the completion and timing of the spin-off are dependent upon a number of conditions and no assurance can be provided as to the timing of the spin-off or that all conditions to the spin-off will be met.

Q: What are the conditions to the spin-off?

A: We expect that the spin-off will be effective on , 2020, provided that the following conditions have been satisfied or waived by SunPower and subject to SunPower's obligations under the Investment Agreement with TZS:

- the consummation in all material respects of the Internal Transactions;
- all corporate and other action necessary in order to execute, deliver and perform the Separation and Distribution Agreement and to consummate the transactions contemplated thereby by each of us and SunPower having been obtained;
- the receipt by SunPower of the written opinion of Jones Day regarding the qualification of the distribution as a transaction that should be generally tax-free to SunPower shareholders for U.S. federal income tax purposes under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code");
- the SEC declaring this Form 20-F effective under the Exchange Act, and no stop order suspending the effectiveness of this Form 20-F being in effect and no proceedings for that purpose being pending before or threatened by the SEC;
- copies of this Form 20-F having been mailed to record holders of SunPower shares as of the record date for the spin-off;
- the actions necessary or appropriate under U.S. federal, U.S. state or other securities laws or blue sky laws (and comparable laws under foreign jurisdictions) having been taken or made;
- the receipt of all necessary government approvals required to consummate the spin-off;
- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the spin-off being in effect;

- our shares to be distributed to SunPower shareholders having been accepted for listing on the NASDAQ (subject to official notice of issuance); and
- all of the conditions precedent to completion of the investment contemplated by the Investment Agreement (other than certain conditions of TZS) having been satisfied or waived.

We and SunPower cannot assure you that any or all of the above or any of the other conditions to the spin-off will be met. See also "—Can SunPower decide to cancel the spin-off of our shares even if all the conditions are met?" below and, for a complete discussion of all of the conditions to the spin-off, see "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Conditions to the Spin-Off."

Q: Can SunPower decide to cancel the spin-off of Maxeon Solar shares, even if all the conditions are met?

A: No. The spin-off is subject to the satisfaction or waiver of certain conditions. If all of such conditions have been satisfied or waived in a timely manner, SunPower does not have the right to subsequently terminate the planned distribution. See also "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Conditions to the Spin-Off."

Q: What if I want to sell my SunPower shares or my Maxeon Solar shares?

A: You should consult with your custodian bank or broker or other financial advisors and/or your tax advisors.

Q: What are the Singapore tax and U.S. federal income tax consequences to me of the spin-off?

A: The spin-off is expected to be tax-free to SunPower shareholders for Singapore income and capital gains tax purposes as well as for U.S. federal income tax purposes, and it is a condition to the spin-off that SunPower receives a tax opinion of counsel that the distribution should be so treated for U.S. federal tax purposes.

See "Item 10. Additional Information—10.E. Taxation—Material Singapore Tax Considerations" and "—Material U.S. Federal Income Tax Considerations" for more information regarding the material tax consequences to Singapore Holders and U.S. Holders of the spin-off (including the respective definitions of "Singapore Holder" and "U.S. Holder").

Q: Who will manage Maxeon Solar after the spin-off?

A: Jeffrey W. Waters is our Chief Executive Officer and will continue in this role after the spin-off. Joanne Solomon will be our Chief Financial Officer, Lindsey Wiedmann will be our Chief Legal Officer, Markus Sickmoeller will be our Chief Operations Officer and Peter Aschenbrenner will be our Chief Strategy Officer after the spin-off. For more information regarding our management team, see "Item 6. Directors, Senior Management and Employees—6.A. Directors and Senior Management—Senior Management."

Q: Does Maxeon Solar intend to pay cash dividends?

A: While our Board of Directors (the "Maxeon Solar Board") may, in its discretion, recommend the payment of a dividend in respect of each fiscal year, the declaration, timing, and amount of any dividend to be paid by us following the spin-off will be subject to the approval of our shareholders at a general meeting of shareholders. The determination of the Maxeon Solar Board as to whether to

recommend a dividend and the approval of any such proposed dividend by our shareholders will depend upon many factors, including our financial condition, earnings, corporate strategy, capital requirements of its operating subsidiaries, covenants, legal requirements and other factors deemed relevant by the Maxeon Solar Board and shareholders. See “Item 10. Additional Information—10.B. Memorandum and Articles of Association—Dividends” for more information.

Q: Will Maxeon Solar incur any debt prior to or at the time of the spin-off?

A: In connection with the spin-off, one of our subsidiaries will acquire certain intangible property from SunPower in exchange for a note of approximately $100.0 million and that subsidiary will satisfy that obligation with a combination of cash on hand and funds received in connection with the spin-off. See “Item 3. Key Information—3.B. Capitalization and Indebtedness” and “Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Conditions to the Spin-Off” for more information.

Q: What will the Maxeon Solar relationship with SunPower be following the spin-off?

A: We have entered into the Separation and Distribution Agreement with SunPower to effect the separation and provide a framework for our relationship with SunPower after the separation and distribution. We will also enter into certain other agreements with SunPower, all of which will have a limited duration of time, including but not limited to a Tax Matters Agreement, an Employee Matters Agreement, a Transition Services Agreement, a Supply Agreement, a Back-to-Back Agreement, a Brand Framework Agreement, a Cross License Agreement and a Collaboration Agreement and certain other agreements. These agreements will govern the separation between us and SunPower of the assets, employees, liabilities and obligations (including investments, property and employee benefits and tax liabilities) of SunPower and its subsidiaries that constitute the Maxeon Business and are attributable to periods prior to, at and after the separation of us from SunPower, and will govern certain relationships between us and SunPower after the separation and distribution. We describe these arrangements in greater detail under “Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us,” and describe some of the risks of these arrangements under “Item 3. Key Information—3.D. Risk Factors—Risks Related to the Separation from SunPower.”

Q: Are there risks associated with owning Maxeon Solar shares?

A: Yes. Ownership of our shares is subject to both general and specific risks relating to the Maxeon Business, the industry in which we operate, our ongoing contractual relationships with SunPower and our status as a separate, publicly traded company. Ownership of our shares is also subject to risks relating to the spin-off. Accordingly, you should carefully read the information set forth under “Item 3. Key Information—3.D. Risk Factors” in this Form 20-F.

Q: Who will be the registrar and transfer agent for the Maxeon Solar shares?

A: Computershare will act as our U.S. share registrar and transfer agent.

Q: Where can I get more information?

A: Before the spin-off, if you have any questions relating to the business performance of SunPower or us or the spin-off, you should contact SunPower at:

SunPower Corporation
Investor Relations
51 Rio Robles
San Jose, CA 95134
Tel: (408) 240-5500
Website: www.investors.sunpower.com

After the spin-off, if you have any questions relating to our business performance, you should contact us at:

Maxeon Solar Technologies, Ltd. Investor Relations
8 Marina Boulevard #05-02
Marina Bay Financial Centre
018981, Singapore
Tel: +65 6338 1888
Website: www.maxeon.com

Our investor website will be operational at or prior to the spin-off.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

1.A. DIRECTORS AND SENIOR MANAGEMENT

For information regarding our directors and senior management, see "Item 6. Directors, Senior Management and Employees—6.A. Directors and Senior Management."

1.B. ADVISERS

Our Singapore legal counsel is Jones Day, 138 Market St, Level 28 CapitaGreen, Singapore 048946. Our U.S. legal counsel is Jones Day, 250 Vesey Street, New York, New York 10281.

1.C. AUDITORS

We have retained Ernst & Young LLP to act as our independent registered public accounting firm. The address for Ernst & Young LLP is 303 S. Almaden Blvd. #1000, San Jose, California 95110. Ernst & Young LLP is registered with the Public Company Accounting Oversight Board.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATION

3.A. SELECTED FINANCIAL DATA

The following selected financial data should be read together with our combined financial statements and related notes and "Item 5. Operating and Financial Review and Prospects" appearing elsewhere in this Form 20-F. We derived the selected statement of operations data for the years ended December 30, 2018 and December 29, 2019 and the selected balance sheet data as of December 30, 2018 and December 29, 2019 from our combined financial statements and related notes appearing elsewhere in this Form 20-F.

The selected financial data in this section are not intended to replace our combined financial statements and the related notes. Our historical results could differ from those that would have resulted if we operated autonomously or as an entity independent of SunPower in the periods for which historical financial data is presented below, and such results are not necessarily indicative of the results that may be expected in the future.

For additional details regarding the preparation of our combined financial statements, please see "Item 5. Operating and Financial Review and Prospects—5.A. Operating Results—Basis of Presentation" and "Note 1. Background and Basis of Presentation" to our combined financial statements appearing elsewhere in this Form 20-F.

We prepare our combined financial statements in accordance with GAAP.

(in thousands)	Fiscal Year Ended December 29, 2019	Fiscal Year Ended December 30, 2018
Statement of Operations Data:		
Revenue	$ 1,198,301	$ 912,313
Gross loss	(2,309)	(449,929)
Operating loss	(135,646)	(589,767)
(Provision for) benefit from income taxes	(10,122)	1,050
Net loss	(178,902)	(604,080)
Net loss attributable to the Parent	(183,059)	(603,814)

(in thousands)	As of December 29, 2019	As of December 30, 2018
Balance Sheet Data:		
Cash and cash equivalents	$ 120,956	$ 101,713
Total assets	990,211	971,303
Short-term debt	60,383	39,714
Long-term debt	1,487	2,135
Total equity	367,523	435,348

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The unaudited pro forma combined financial statements reflect adjustments to our historical financial results in connection with the spin-off and the investment. The Unaudited Pro Forma Combined Statement of Operations gives effect to the spin-off and the investment as if they had occurred on December 31, 2018, the beginning of our most recently completed fiscal year. The Unaudited Pro Forma Combined Balance Sheet gives effect to these events as if they occurred as of December 29, 2019, our latest balance sheet date. The unaudited pro forma combined financial statements have been adjusted to give effect to the following (collectively, the "Pro Forma Adjustments"):

- the incurrence of debt and the funding of cash between us and SunPower as part of our plan to capitalize our company;
- the contribution in cash by TZS in exchange for a number of our shares such that immediately following such issuance, TZS will own 28.848% of our outstanding shares;
- the incurrence and repayment of a promissory note due from a Maxeon Solar subsidiary to SunPower;
- the transfer of certain intellectual property necessary for the operation of our company;
- the incurrence of income taxes in certain jurisdictions as a result of an internal reorganization undertaken for the sole purpose of facilitating the separation and distribution;
- the distribution, expected to be taxable to SunPower and intended to be tax-free to SunPower shareholders, for U.S. federal income tax purposes, of our shares of stock to SunPower shareholders, based on the distribution of one Maxeon Solar share for every eight SunPower shares outstanding as of the record date for the distribution, and the resulting redesignation of SunPower's historical net investment as common stock and additional paid-in capital; and
- the impact of transactions contemplated by the Separation and Distribution Agreement, Investment Agreement, Tax Matters Agreement and Transition Services Agreement.

The historical financial information has been adjusted to give pro forma effect to events that are (i) related and/or directly attributable to the spin-off and the investment, (ii) factually supportable, and (iii) with respect to the pro forma statement of operations, are expected to have a continuing impact on the combined results. The unaudited pro forma combined financial information is prepared in accordance with Article 11 of Regulation S-X for illustrative purposes only and is based upon currently available information and preliminary estimates and assumptions that we believe to be reasonable under the circumstances. The unaudited pro forma combined financial information does not purport to represent what our results of operations or financial position would have been had the spin-off and the investment occurred on the dates indicated nor do they purport to project the results of operations or financial position for any future period or as of any future date. The unaudited pro forma combined financial information does not give effect to the potential impact of current financial conditions or any anticipated operating efficiencies or cost savings that may result from the spin-off and the investment described above.

In connection with the spin-off, we and SunPower anticipate entering into the Transition Services Agreement in which SunPower will provide certain corporate and administrative services to us. Pro forma adjustments have been made to the historical combined financial statements for the anticipated Transition Services Agreement based on management's best estimates of charges to be incurred on an annual basis as of the filing date. Such estimates may differ from actual charges to be incurred in the near future as the terms of the Transition Services Agreement remain subject to change.

The unaudited pro forma combined financial information is subject to change based on the finalization of the terms of the spin-off, the investment and the following agreements: a Tax Matters Agreement, an Employee Matters Agreement, a Transition Services Agreement, a Brand Framework Agreement, a Cross License Agreement, a Collaboration Agreement, a Supply Agreement and a Back-to-Back Agreement (collectively, the “Ancillary Agreements”). If the actual facts are different than these assumptions, then the unaudited pro forma combined financial information will be different, and those changes could be material.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 29, 2019
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Historical	Pro Forma Adjustments	Notes	Pro Forma
Revenue	$1,198,301	$ —		$1,198,301
Cost of revenue	1,200,610	(7,120)	(f)	1,192,918
	—	(572)	(g)	—
Gross (loss) profit	(2,309)	7,692		5,383
Operating expenses:				
Research and development	36,997	—	(g)	36,997
Sales, general and administrative	96,857	(2,082)	(g)	94,775
Restructuring charges	(517)	—		(517)
Total operating expenses	133,337	(2,082)		131,255
Operating loss	(135,646)	9,774		(125,872)
Other expense, net				
Interest expense	(25,831)	(12,075)	(d)	(17,949)
	—	(1,306)	(e)	—
	—	19,485	(i)	—
	—	(177)	(m)	—
	—	1,955	(n)	—
Other, net	(1,961)	—		(1,961)
Other expense, net	(27,792)	7,882		(19,910)
Loss before income taxes and equity in losses of unconsolidated investees	(163,438)	17,656		(145,782)
Provision for income taxes	(10,122)	—	(j)	(10,122)
Equity in losses of unconsolidated investees	(5,342)	—		(5,342)
Net loss	(178,902)	17,656		(161,246)
Net loss attributable to noncontrolling interests	(4,157)	—		(4,157)
Net loss attributable to the Company	$ (183,059)	$ 17,656		$ (165,403)
Basic and diluted net loss per share attributable to the Company	—		(k)	$ (6.50)
Basic and diluted weighted-average shares	—		(k)	25,438

The accompanying notes are an integral part of these unaudited pro forma combined financial statements.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 29, 2019
(IN THOUSANDS)

	Historical	Pro Forma Adjustments	Notes	Pro Forma
Assets				
Current assets:				
Cash and cash equivalents	$ 120,956	$ (70,956)	(a)	$ 390,125
	—	298,000	(b)	—
	—	(100,000)	(c)	—
	—	167,125	(d)	—
	—	(25,000)	(o)	—
Restricted short-term marketable securities	6,187	—		6,187
Accounts receivable, net	150,365	—		150,365
Inventories	194,852	—		194,852
Advances to suppliers, current portion	107,388	—		107,388
Prepaid expenses and other current assets	38,369	1,106	(l)	35,595
	—	(3,880)	(m)	—
Total current assets	618,117	266,395		884,512
Restricted long-term marketable securities	—	—		—
Property, plant and equipment, net	281,200	(14,824)	(g)	266,376
Right-of-use assets	18,759	(8,200)	(g)	10,559
Other intangible assets, net	5,092	(4,747)	(f)	345
Advances to suppliers, net of current portion	13,993	—		13,993
Other long-term assets	53,050	—		53,050
Total assets	$ 990,211	$ 238,624		$1,228,835
Liabilities and Equity				
Current liabilities:				
Accounts payable	$ 286,464	$ —		$ 286,464
Accrued liabilities	92,570	(4,956)	(m)	87,614
Contract liabilities, current portion	78,939	—		78,939
Short-term debt	60,383	—		60,383
Short-term lease liability	2,365	(461)	(g)	1,904
Total current liabilities	520,721	(5,417)		515,304
Long-term debt	1,487	167,125	(d)	168,612
Contract liabilities, net of current portion	35,616	—		35,616
Long-term lease liability	18,338	(8,906)	(g)	9,432
Other long-term liabilities	46,526	—		46,526
Total liabilities	622,688	152,802		775,490
Commitments and contingencies				
Equity:				
Common stock, no par value	—	—		—
Additional paid-in capital	—	(70,956)	(a)(h)	455,659
	—	298,000	(b)	—
	—	(100,000)	(c)(h)	—
	—	(4,747)	(f)(h)	—
	—	(13,657)	(g)(h)	—
	—	1,106	(l)(h)	—
	—	1,076	(m) (h)	—
	—	(25,000)	(o)(h)	—
	—	369,837	(h)	—
Net Parent investment	369,837	(369,837)	(h)	—
Accumulated other comprehensive loss	(7,618)	—		(7,618)
Equity attributable to the Company	362,219	85,822		448,041
Noncontrolling interests	5,304	—		5,304
Total equity	367,523	85,822		453,345
Total liabilities and equity	$ 990,211	$ 238,624		$1,228,835

The accompanying notes are an integral part of these unaudited pro forma combined financial statements.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The unaudited pro forma combined financial statements as of and for the year ended December 29, 2019 include the following adjustments:

a) Following the spin-off and immediately prior to the investment, we will have $50.0 million available cash. Excess cash of $71.0 million will be retained by SunPower in accordance with the Investment Agreement.

b) Immediately following the spin-off, TZS will contribute $298.0 million in cash to us in exchange for a number of newly registered Maxeon Solar shares such that immediately following such issuance, TZS will own 28.848% of our outstanding shares. The Pro Forma Adjustments do not include interest income that would likely be earned on the additional cash resulting from this capital injection. The usage of cash in our ongoing operations is undeterminable at this time and accordingly, we are unable to determine the amount of interest we expect to earn on any amounts deposited.

c) Prior to the spin-off, as part of the restructuring to effect the transaction, a Maxeon Solar subsidiary intends to issue a promissory note for a principal amount of $100.0 million to SunPower in exchange for intellectual property necessary for the operation of the Maxeon Business. The promissory note, which was contractually negotiated by SunPower and Maxeon Solar, is to be repaid with a combination of cash on hand and funds received in connection with the spin-off, with such repayment conditioned upon effectiveness of the spin-off and receipt of the TZS contribution. The Pro Forma Adjustments reflect the transfer to Maxeon Solar from SunPower of this internally developed technology at a carryover basis of zero, for non-U.S. federal income tax purposes, and the corresponding cash outflow to repay the promissory note. The $100.0 million cash outflow for the transfer of internally developed technology at a carryover basis of zero effectively results in a $100.0 million net parent distribution. The transaction represents a transaction between entities under common control and as such the carrying value of the intellectual property transferred is not intended to be reflective of fair value.

d) We expect that, prior to the spin-off, we will enter into various debt financing arrangements providing for a total available borrowing capacity of up to $325.0 million. As one of the financing arrangements, Maxeon Solar may issue debt securities or equity-linked debt securities in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. For purposes of the unaudited pro forma combined financial statements, we have assumed that Maxeon Solar has issued $175.0 million aggregate principal amount of convertible notes due 2025, net of issuance costs of $7.9 million. The Pro Forma Adjustments reflect interest expense of $12.1 million for the year ended December 29, 2019 based on an assumed per annum interest rate, as well as the amortization of the issuance costs using the effective interest method. As the actual aggregate principal amount and the per annum interest rate may be different than the assumed amount, a change in the aggregate principal amount or the per annum interest rate may result in annual interest expense that is significantly different than the pro forma annual interest expense. For each 0.125% increase (or decrease) in the actual interest rate, interest expense for the year ended December 29, 2019 would increase (or decrease) by approximately $0.2 million based on the assumed principal amount borrowed.

Upon issuance of the convertible notes due 2025, we may be required under ASC 470-20 to recognize a debt discount as a decrease in debt and a corresponding increase in equity as convertible debt that may be wholly or partially settled in cash is required to be separated into a debt component and an equity component. The debt component is then accreted up to the principal amount over the expected term of the debt using the effective interest method such that interest expense reflects the issuer’s nonconvertible debt interest rate. The amounts shown in the unaudited pro forma combined financial information for the convertible notes due 2025 is the assumed aggregate principal amount without reflecting the debt discount that we may be required to recognize as ASC 470-20 does not affect the actual amount that we are required to repay.

Additionally, in the event Maxeon Solar issues convertible notes, Maxeon Solar may use a portion of the net proceeds from the issuance to fund a forward stock purchase transaction. As the timing and amount of any forward stock purchase transaction are uncertain, the Unaudited Pro Forma Combined Balance Sheet is not adjusted to reflect the impact of any such forward stock purchase transaction. We cannot assure you that a convertible note offering will be commenced or completed. The foregoing description and other information regarding a convertible notes offering is included herein solely for informational purposes. Nothing in this Form 20-F should be construed as an offer to sell, or a solicitation of an offer to buy, any convertible notes.

e) We expect that, prior to the spin-off, we will enter into various debt financing arrangements providing for a total available borrowing capacity of up to $325.0 million, including term loans, revolving credit facilities and issuances of debt or equity-linked debt securities. For purposes of the unaudited pro forma combined financial information, we have assumed that Maxeon Solar will enter a term loan facility in an amount of $55.0 million and enter into or have access to revolving credit and working capital facilities providing for available borrowings of up to $95.0 million. We expect the usage of cash under the term loan facility will be limited to fund future capital expenditures required to support the production of Maxeon 5 and Maxeon 6. As the amount to be withdrawn for the capital expenditures is unknown as of the date of this filing, the usage of cash under the term loan facility has been excluded from this unaudited pro forma financial information. Additionally, the assumed borrowing capacity from the revolving credit facility is intended for general corporate purposes, and Maxeon Solar is not expected to make a draw down at the time of the spin-off. The Pro Forma Adjustments reflects commitment fees based on an assumed per annum interest rate on the unused portions of the term loan facility and revolving credit facility, aggregating to $1.3 million of interest expense for the year ended December 29, 2019.

Additionally, a change in the proportion of amounts borrowed under the term loan or the revolving credit facility or differences between the actual interest rate and the assumed interest rate, including the commitment fees, may result in annual interest expense that is significantly different than the pro forma annual interest expense.

f) The adjustment reflects the removal of Cogenra related intangible asset balance of $4.7 million reflected on the historical Combined Balance Sheet as of December 29, 2019 and related amortization of $7.1 million reflected on the historical Combined Statement of Operations for 2019. Such intangible assets will be retained by SunPower. While intellectual property will be licensed back to Maxeon Solar from SunPower, no pro forma adjustments have been made to the historical Combined Statement of Operations for the anticipated licensing agreement as there is no additional licensing fee to be incurred.

g) In connection with the spin-off, certain assets and liabilities will not be transferred to us by SunPower. These assets and liabilities formed a portion of our historical business prior to the spin-off, but ultimately will not be transferred per the Separation and Distribution Agreement. The expenses, including depreciation, related to those assets and liabilities were previously included within our historical Combined Statement of Operations as a charge to us through allocations from SunPower. Such expenses were accordingly removed from our historical Combined Statement of Operations. Although certain research and development-related assets will not be transferred per the Separation and Distribution Agreement, expenses incurred relating to these assets will be cross charged to us through the Product Collaboration Agreement. As such, the research and development expenses relating to these assets were not adjusted.

h) The adjustment reflects the elimination of net parent contribution and the recapitalization of our equity in connection with the spin-off. As of the spin-off date, SunPower’s investment in our business will be redesignated as our stockholders’ equity and will be allocated between ordinary shares and additional paid-in capital based on the number of shares outstanding at the spin-off date. SunPower shareholders will receive shares based on a distribution ratio of one Maxeon Solar share for every eight SunPower shares outstanding as of the record date for the distribution. The total redesignation from net parent contribution to additional paid-in capital is $455.7 million and includes (1) SunPower’s

$369.8 million historical investment in us and (2) the effect of all pro forma adjustments representing a $85.8 million net parent distribution.

i) In December 2015, SunPower issued $425.0 million in principal amount of 4.00% debentures due 2023 (“the debentures”), the proceeds of which were used to finance the construction of our solar cell manufacturing facility in the Philippines which relates to our historical business. As such, the interest and other costs associated with the debentures are reflected in our Combined Statement of Operations. The Pro Forma Adjustments reflect the removal of $17.0 million of interest expense and $2.5 million of debt issuance cost amortization as the liability for these debentures is retained by SunPower and will not be transferred to us.

j) Based on the pro forma loss before income taxes for the year ended December 29, 2019, we believe that sufficient uncertainty exists regarding the realizability of the deferred tax assets such that a full valuation allowance is necessary against the net deferred tax assets. Therefore, no incremental Pro Forma Adjustments were recognized on the Unaudited Pro Forma Combined Statement of Operations.

k) The calculations of pro forma basic and diluted net loss per share and average shares outstanding for the period presented are based on SunPower’s 144,796 weighted-average common shares outstanding for the year ended December 29, 2019, as adjusted for the expected distribution ratio of one Maxeon Solar share for every eight SunPower shares and for the issuance of shares to effect TZS’ 28.848% ownership of our total outstanding shares upon distribution.

l) We are involved in various lawsuits, claims, investigations and proceedings. SunPower has agreed to indemnify us for certain litigation claims for which we or one of our subsidiaries is named the defendant or party to. The liabilities related to these legal claims are reflected on our historical Combined Balance Sheet as of December 29, 2019. The Pro Forma Adjustments reflect the recognition of $1.1 million of indemnification receivable from SunPower included in prepaid expenses and other current assets.

m) The Separation and Distribution Agreement requires that all receivables, payables and loans between Maxeon Solar and SunPower be settled prior to the spin-off. The Pro Forma Adjustments reflect removal of these amounts to assume settlement along with the interest expense incurred during 2019 associated with these intercompany loans due between us and SunPower.

n) In connection with our 2016 acquisition of 100% equity voting interest in our former joint venture AUO SunPower Sdn. Bhd., we are required to make non-cancellable annual installment payments during 2019 and 2020. As per the Investment Agreement, SunPower made the payment that was due in September 2019, which is reflected as a net parent investment in the historical Combined Balance Sheet. The Pro Forma Adjustment reflects removal of the non-cash accretion charges related to the 2019 installment payment of $2.0 million included in interest expense.

o) As part of the Separation and Distribution Agreement, we are required to reimburse SunPower up to $25.0 million for transaction expenses that they will incur in connection with the separation. This adjustment represents the expected reimbursement of $25.0 million.

3.B. CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our cash and cash equivalents and our capitalization as of December 29, 2019 on:

- an actual basis; and
- an adjusted basis, to give effect to the pro forma adjustments set forth in "—Unaudited Pro Forma Combined Financial Information" above.

The "as adjusted" information below is not necessarily indicative of what our capitalization and indebtedness would have been had the separation and related transactions been completed as of December 29, 2019. You can find an explanation of the pro forma adjustments made to our historical combined financial statements under "Unaudited Pro Forma Combined Financial Statements." You should review the following table in conjunction with our "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and related notes to those statements appearing elsewhere in this Form 20-F, as well as the sections of this Form 20-F captioned "Item 3. Key Information—3.A. Selected Financial Data," "Item 5. Operating and Financial Review and Prospects" and "—Unaudited Pro Forma Combined Financial Information" below.

We are providing the capitalization table below for informational purposes only. It should not be construed to be indicative of our capitalization or financial condition had the separation been completed on the date assumed. The capitalization table below may not reflect the capitalization or financial condition that would have resulted had we operated as a standalone public company at that date and is not necessarily indicative of our future capitalization or financial position.

	As of December 29, 2019	
(in thousands)	Historical	As Adjusted (Unaudited)
Cash and cash equivalents	$120,956	$ 390,125
Liabilities		
Short-term debt	$ 60,383	$ 60,383
Long-term debt	1,487	168,612
Total debt	$ 61,870	$ 228,995
Stockholders' equity		
Common stock, no par value	$ —	$ —
Additional paid-in capital	$ —	$ 455,660
Net Parent investment	369,837	—
Accumulated other comprehensive loss	(7,618)	(7,618)
Equity attributable to the Company	362,219	448,042
Noncontrolling interests	5,304	5,304
Total equity	$367,523	$ 453,346
Total capitalization	$429,393	$ 682,341

3.C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3.D. RISK FACTORS

You should carefully consider the risks described below, together with all of the other information included in this Form 20-F, in evaluating us and our shares. The following risk factors could adversely affect our business, financial condition, results of operations and the price of our shares.

Risks Related to the COVID-19 Pandemic

The COVID-19 pandemic has had an adverse impact on our business, operations, and financial performance, as well as on the operations and financial performance of many of our suppliers, dealers and customers. We are unable to predict the extent to which the pandemic and related impacts will continue to adversely impact our business operations, financial performance, results of operations, financial position, and the achievement of our strategic objectives.

The COVID-19 pandemic has had an adverse impact on most aspects of our business, operations and financial performance, and the impact is ongoing and will likely continue to change. The pandemic has affected our employees and their ability to work, our ability to conduct our business operations around the globe, reduced demand for our products, disrupted our supply chains, limited the ability of some of our customers to purchase and pay for our products, and caused us to reallocate and prioritize our planned spending among our strategic initiatives. These impacts are substantial and may make it more difficult for us to generate cash flow to meet our own obligations under the terms of our outstanding indebtedness. While we are actively evaluating our ability to obtain relief through recently-announced government assistance, such relief may not be available and, even if available, is unlikely to fully mitigate the impacts of the pandemic on our business and our financial results.

Employees. The safety and wellbeing of our employees is paramount and could also impact our ability to address the uncertainties associated with the COVID-19 pandemic. We have modified our business practices in response to the pandemic, instituting health and safety measures such as limiting employee travel, implementing social distancing and remote work measures, and cancelling physical participation in meetings, events, and conferences. Despite these efforts, such measures may not be sufficient to mitigate the risks posed by the COVID-19 pandemic to our employees, dealers, customers and suppliers. Our employees may be unable to work effectively due to sheltering-in-place arrangements, illness, quarantine, travel restrictions, lack of public transportation or other restrictions required by government authorities or that we determine are in the best interests of our employees, which may harm our operations. We have announced temporary reductions in the salaries of certain of our executive officers, as well as temporary reductions in salaries and reduced work week schedules for certain of our employees to address reduced demand and workloads related to the pandemic and to conserve cash, with exceptions for certain groups, including those supporting customer and asset services.

Adverse manufacturing, supply, and strategic investment impacts. The COVID-19 pandemic is adversely affecting, and is expected to continue to adversely affect, our business and operations, including our manufacturing operations, bookings and sales, and may adversely affect our ability to continue to invest in all of our planned research and development and other initiatives. Consistent with actions taken or recommended by governmental authorities, we temporarily idled our solar cell and module production lines located at our manufacturing facilities in the Philippines, France, Malaysia and Mexico. The phased restart of our manufacturing operations began in May with enhanced safety measures to protect our employees. However, a return to production to prior levels may take a significant period of time, and may be dependent on similar plans from our suppliers, and we may face disruptions to the timing, capacity, and efficiency of our solar cell and module production lines, which in turn may restrict our ability to match product supplies to customer demand. In addition, new governmental orders and restrictions may be issued in some locations if the pandemic recurs or worsens. During a prolonged reduction in manufacturing operations or demand, the business and financial condition of our suppliers and customers may deteriorate, resulting in liquidity challenges, bankruptcies, permanent discontinuation of operations, or an inability to make timely deliveries or payments to us. Our suppliers and vendors may also request new or changed credit terms, which could effectively increase the prices we pay for raw materials and supplies.

Although we continue to invest in research and development initiatives, including for development of our Maxeon 7 technology, we cannot be certain whether we will realize the anticipated value of such investments or realize the anticipated value within previously predicted time frames, in light of the economic uncertainty caused by the COVID-19 pandemic and steps we have taken to reduce workweek length and promote social distancing and remote work for employees.

Decline in demand for products. We have experienced, and expect to continue to experience, a decline in demand for our solar panels in light of the global economic slowdown caused by the COVID-19 pandemic and the associated decrease in consumer spending, which we expect will have a near-term adverse impact on our business, financial condition, results of operations, and cash flows. Additionally, as credit markets become more challenging, customers may be unable or unwilling to finance the cost of our products, and the parties that have historically provided this financing may cease to do so, or only do so on terms that are substantially less favorable for our customers, any of which could materially and adversely affect our revenue and growth of our business. Cancellations or rescheduling of customer orders could result in the delay or loss of anticipated sales without allowing us sufficient time to reduce, or delay the incurrence of, our corresponding inventory and operating expenses. In addition, changes in forecasts or the timing of orders from these or other customers expose us to the risks of inventory shortages or excess inventory.

Impacts on our ability to meet our financial commitments. Our ability to meet our payment and other obligations under our debt instruments depends on our ability to generate significant cash flows. In light of reduced demand and general economic uncertainty related to the COVID-19 pandemic, we cannot assure you that our business will generate cash flows from operations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under our debt and to fund other liquidity needs. If we are unable to generate sufficient cash flows to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. There can be no assurance that we will be successful in any sale of assets, refinancing, restructuring, or capital raising effort.

Impact on other risks inherent in our business. The overall effect that the COVID-19 pandemic will have on our business, financial condition and results of operations will depend on future developments, including the ultimate duration and scope of the pandemic, the timing of lifting or easing of various governmental restrictions, the impact on our suppliers, dealers and customers, and how quickly economic conditions, operations, and the demand for our products return to prior levels. The ultimate effect that the pandemic may have on our operating and financial results is not presently known to us or may present unanticipated risks that cannot be determined at this time.

We expect the COVID-19 pandemic will have a material adverse effect on our business, and thus are aggressively managing our response to the pandemic. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks identified in this “Risk Factors” section. We believe the most significant elements of uncertainty are the intensity and duration of the impact on project installation by our customers, commercial and consumer spending as well as the ability of our sales channels, supply chain, manufacturing, and distribution to continue to operate with minimal disruption for the remainder of fiscal 2020 and beyond, all of which could negatively impact our financial position, results of operations, cash flows and outlook.

Risks Related to the Maxeon Business Generally

If we fail to successfully reduce costs in response to downward pressure on solar panel prices, or fail to develop and introduce new and enhanced products, we may be unable to compete effectively, and our ability to generate revenues, profits and cash flows could suffer.

Our solar panels are competitive in the market as compared with lower cost conventional solar cells, such as thin-film, due to our products’ higher efficiency, among other things. Given the general downward pressure on prices for solar panels driven by increasing supply and technological change, a principal component of our

business strategy is reducing our costs to manufacture our products to remain competitive. If our competitors are able to drive down their manufacturing costs or increase the efficiency of their products faster than we can, or if competitor products are exempted from tariffs and quotas and ours are not, our products may become less competitive even when adjusted for efficiency. Further, if raw materials costs and other third-party component costs were to increase, we may not meet our cost reduction targets. If we cannot effectively reduce costs, our competitive position could suffer, we could lose sales and/or market share, and our margins could be adversely affected as we face downward pricing pressure.

The solar power market is characterized by continually changing technology and improving features, such as increased efficiency, higher power output and enhanced aesthetics. Technologies developed by our direct competitors, including thin-film solar panels, concentrating solar cells, solar thermal electric and other solar technologies, may provide energy at lower costs than our products. We also face competition in some markets from other energy generation sources, including conventional fossil fuels, wind, biomass, and hydro. In addition, we compete with traditional utilities that supply energy to our potential customers. Such utilities have greater financial, technical, operational and other resources than we do. If electricity rates decrease and our products become less competitive by comparison, our operating results and financial condition could be adversely affected.

Our failure to further refine our technology, reduce costs in our manufacturing process, and develop and introduce new solar power products could cause our products or our manufacturing facilities to become less competitive or obsolete, which could reduce our market share, cause our sales to decline, and cause the impairment of our assets. We are required to continually develop new solar power products and enhancements for existing solar power products to keep pace with evolving industry standards, competitive pricing and changing customer preferences, expectations, and requirements. It is difficult to successfully predict the products our customers will demand. If we cannot continually improve the efficiency and prove the reliability of our solar panels as compared with those of our competitors, our pricing will become less competitive, we could lose market share, and our margins would be adversely affected.

As we introduce new or enhanced products or integrate new technology and components into our products, we will face risks relating to such transitions including, among other things, the incurrence of high fixed costs, technical challenges, acceptance of products by our customers, disruption in customers' ordering patterns, insufficient supplies of new products to meet customers' demand, possible product and technology defects arising from the integration of new technology and a potentially different sales and support environment relating to any new technology. Our failure to manage the transition to newer products or the integration of newer technology and components into our products could adversely affect our business's operating results and financial condition.

The increase in the global supply of solar cells and panels, and increasing competition, may cause substantial downward pressure on the prices of such products and cause us to lose sales or market share, resulting in lower revenues, earnings, and cash flows.

Global solar cell and panel production capacity has been materially increasing overall, and solar cell and solar panel manufacturers currently have excess capacity, particularly in China. Excess capacity and industry competition have resulted in the past, and may continue to result, in substantial downward pressure on the price of solar cells and panels, including our products. Intensifying competition could also cause us to lose sales or market share. Such price reductions or loss of sales or market share could have a negative impact on our revenue and earnings, and could materially adversely affect our business, financial condition and cash flows. In addition, our internal pricing forecasts may not be accurate in such a market environment, which could cause our financial results to be different than forecasted. Uncertainty with respect to Chinese and other government policies, including subsidies or other incentives for solar projects, may cause increased, decreased, or volatile supply and/or demand for solar products, which could negatively impact our revenue and earnings.

Changes in international trade policies, tariffs, or trade disputes could significantly and adversely affect our business, revenues, margins, results of operations and cash flows.

On February 7, 2018, safeguard tariffs on imported solar cells and modules went into effect pursuant to Proclamation 9693, which approved recommendations to provide relief to U.S. manufacturers and impose safeguard tariffs on imported solar cells and modules, based on the investigations, findings, and recommendations of the U.S. International Trade Commission (the "International Trade Commission"). Modules are subject to a four-year tariff at a rate of 30% in the first year, declining 5% in each of the three subsequent years, to a final tariff rate of 15% in 2021. Cells are subjected to a tariff-rate quota, under which the first 2.5 GW of cell imports each year will be exempt from tariffs; and cells imported after the 2.5 GW quota has been reached will be subject to the same 30% tariff as modules in the first year, with the same 5% decline in each of the three subsequent years. The tariff-free cell quota applies globally, without any allocation by country or region.

The tariffs could materially and adversely affect our business and results of operations. While solar cells and modules based on IBC technology, like our Maxeon 2, Maxeon 3, Maxeon 5 and 6 and related products, were granted exclusion from these safeguard tariffs on September 19, 2018, our solar products based on other technologies continue to be subject to the safeguard tariffs. Although we are actively engaged in efforts to mitigate the effect of these tariffs and SunPower filed an assessment with the International Trade Commission that the existing quota on cells will eventually be insufficient to supply the domestic industry and should be increased, there is no guarantee that these efforts will be successful.

Additionally, the Office of the United States Trade Representative ("USTR") initiated an investigation under Section 301 of the Trade Act of 1974 into the government of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. In notices published June 20, 2018, August 16, 2018, and September 21, 2018, the USTR imposed additional import duties of up to 25% on certain Chinese products covered by the Section 301 remedy. These tariffs include certain solar power system components and finished products, including those purchased from our suppliers for use in our products and used in our business.

On January 15, 2020, the United States and China entered into a "Phase One" trade agreement, and the two governments have indicated that they may seek to negotiate additional trade agreements. Nonetheless, the Phase One agreement does not contain specific provisions committing the United States to reduce the Section 301 or Proclamation 9693 tariffs, and no fixed timetable for their removal has been announced. Additionally, the United States and China continue to signal the possibility of taking additional retaliatory measures in response to actions taken by the other country, including in connection with the COVID-19 pandemic and the introduction of new laws and political measures in Hong Kong. Such retaliatory measures could result in changes to existing trade agreements and terms, potentially including additional tariffs on imports from China or other countries, additional technology controls or controls on exports or imports and economic sanctions on Chinese or other persons.

Additionally, on May 1, 2020, President Trump declared a national emergency with respect to foreign supply of bulk-power system electric equipment and directed the U.S. Secretary of Energy to take additional steps to protect the security, integrity, and reliability of bulk-power system electric equipment used in the United States, including by prohibiting certain transactions. Although the President's order does not address the solar industry specifically, it could indicate heightened U.S. government attention to electricity generation and transmission matters, and it is possible that the U.S. Secretary of Energy will seek to take actions under the President's order that could have an adverse effect on our suppliers, customers, partners, or projects.

Uncertainty surrounding the implications of existing tariffs affecting the U.S. solar market, trade tensions between China and the United States and other trade and national security regulatory actions could cause market volatility, price fluctuations, supply shortages, and project delays, any of which could harm our business, and our pursuit of mitigating actions may divert substantial resources from other projects. In addition, the imposition of additional tariffs or trade controls could result in a wide range of impacts to the U.S. solar industry and the global

manufacturing market, as well as our business in particular. Such tariffs could materially increase the price of our solar products and result in significant additional costs to us, our resellers, and our resellers' customers, which could cause a significant reduction in demand for our solar power products and greatly reduce our competitive advantage. With the uncertainties associated with the tariffs and Section 301 trade case, events and changes in circumstances have indicated that the carrying values of our long-lived assets associated with our manufacturing operations might not be recoverable.

The reduction, modification or elimination of government incentives could cause our revenue to decline and harm our financial results.

The market for on-grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, depends in large part on the availability and size of government mandates and economic incentives because, at present, the cost of solar power generally exceeds retail electric rates in many locations and wholesale peak power rates in some locations. Incentives and mandates vary by geographic market. Various government bodies in most of the countries where we do business have provided incentives in the form of feed-in tariffs, rebates, and tax credits and other incentives and mandates, such as renewable portfolio standards and net metering, to end-users, distributors, system integrators and manufacturers of solar power products to promote the use of solar energy in on-grid applications and to reduce dependency on other forms of energy. These various forms of support for solar power are subject to change and are expected in the longer term to decline. Even changes that may be viewed as positive can have negative effects if they result, for example, in delaying purchases that otherwise might have been made before expiration or scheduled reductions in such credits. Governmental decisions regarding the provision of economic incentives often depend on political and economic factors that we cannot predict and that are beyond our control. The reduction, modification or elimination of grid access, government mandates or economic incentives in one or more of our customer markets could materially and adversely affect the growth of such markets or result in increased price competition, either of which could cause our revenue to decline and materially adversely affect our financial results.

Existing regulations and policies and changes to these regulations and policies may present technical, regulatory, and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products.

The market for electric generation products is heavily influenced by federal, state and local government laws, regulations and policies concerning the electric utility industry globally, as well as policies promulgated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation, and changes that make solar power less competitive with other power sources could deter investment in the research and development of alternative energy sources as well as customer purchases of solar power technology, which could in turn result in a significant reduction in the demand for our solar power products. The market for electric generation equipment is also influenced by trade and local content laws, regulations and policies that can discourage growth and competition in the solar industry and create economic barriers to the purchase of solar power products, thus reducing demand for our solar products. In addition, on-grid applications depend on access to the grid, which is also regulated by government entities. We anticipate that our solar power products and their installation will continue to be subject to oversight and regulation in accordance with federal, state, local and foreign regulations relating to construction, safety, environmental protection, utility interconnection and metering, trade, and related matters. It is difficult to track the requirements of individual states or local jurisdictions and design equipment to comply with the varying standards. In addition, the U.S., European Union and Chinese governments, among others, have imposed tariffs or are in the process of evaluating the imposition of tariffs on solar panels, solar cells, polysilicon, and potentially other components. These and any other tariffs or similar taxes or duties may increase the price of our solar products and adversely affect our efforts to reduce costs, which could harm our results of operations and financial condition. Any new regulations or policies pertaining to our solar power products may result in significant additional expenses to us, our resellers and our resellers' customers, which could cause a significant reduction in demand for our solar power products.

We may incur unexpected warranty and product liability claims that could materially and adversely affect our financial condition and results of operations.

Our current standard product warranty for our solar panels and their components includes a 25-year warranty period for defects in materials and for greater than promised declines in power performance. We believe our warranty offering is in line with industry practice. This long warranty period creates a risk of extensive warranty claims long after we have shipped product and recognized revenue. We perform accelerated life cycle testing that exposes our products to extreme stress and climate conditions in both environmental simulation chambers and in actual field deployments in order to highlight potential failures that could occur over the 25-year warranty period. We also employ measurement tools and algorithms intended to help us assess actual and expected performance; these attempt to compare actual performance against an expected performance baseline that is intended to account for many factors (like weather) that can affect performance. Although we conduct accelerated testing of our solar panels and components, they have not and cannot be tested in an environment that exactly simulates the 25-year warranty period and it is difficult to test for all conditions that may occur in the field. Further, there can be no assurance that our efforts to accurately measure and predict panel and component performance will be successful. We have sold products under our warranties since the early 2000s and have therefore not experienced the full warranty cycle.

Increases in the defect rate of our products could cause us to increase the amount of warranty reserves and have a corresponding material, negative impact on our results of operations. Further, potential future product failures could cause us to incur substantial expense to repair or replace defective products, and we have agreed in some circumstances to indemnify our customers and our distributors against liability from some defects in our solar products. A successful indemnification claim against us could require us to make significant damage payments. Repair and replacement costs, as well as successful indemnification claims, could materially and negatively impact our financial condition and results of operations.

Like other retailers, distributors, and manufacturers of products that are used by customers, we face an inherent risk of exposure to product liability claims in the event that the use of the solar power products into which our solar cells and panels are incorporated results in injury, property damage, or other damages. We may be subject to warranty and product liability claims in the event that our solar power systems fail to perform as expected or if a failure of our solar power systems or any component thereof results, or is alleged to result, in bodily injury, property damage or other damages. Since our solar power products are electricity-producing devices, it is possible that our systems could result in injury, whether by product malfunctions, defects, or other causes. In addition, since we only began selling our solar cells and solar panels in the early 2000s and the products we are developing incorporate new technologies, we cannot predict the extent to which product liability claims may be brought against us in the future or the effect of any resulting negative publicity on our business. Moreover, we may not have adequate resources to satisfy a successful claim against us. We rely on our general liability insurance to cover product liability claims. A successful warranty or product liability claim against us that is not covered by insurance or is in excess of our available insurance limits could require us to make significant payments of damages. In addition, quality issues can have various other ramifications, including delays in the recognition of revenue, loss of revenue, loss of future sales opportunities, increased costs associated with repairing or replacing products, product recalls and a negative impact on our goodwill and reputation, any of which could adversely affect our business, operating results and financial condition.

Our business could be adversely affected by seasonal trends and construction cycles.

Our business is subject to significant industry-specific seasonal fluctuations. There are various reasons for this seasonality, mostly related to economic incentives and weather patterns. For example, in European countries with feed-in tariffs, the construction of solar power systems may be concentrated during the second half of the calendar year, largely due to the annual reduction of the applicable minimum feed-in tariff and the fact that the coldest winter months in the Northern Hemisphere are January through March, which could lead to declining sales in cold-weather months.

Risks Related to Our Liquidity

We may be unable to generate sufficient cash flows or obtain access to external financing necessary to fund our operations and make adequate capital investments, as planned due to the general economic environment and the continued market pressure driving down the average selling prices of our solar power products, among other factors.

To develop or scale new products, including Maxeon 5 and 6 and next-generation Maxeon 7, support future growth, achieve operating efficiencies, and maintain product quality, we must make significant capital and other investments in manufacturing technology, facilities and capital equipment, research and development, and product and process technology. Our manufacturing and assembly activities have required and will continue to require significant investment of capital and substantial engineering expenditures.

Our capital expenditures and use of working capital may be greater than we anticipate if sales and associated receipt of cash proceeds are delayed, or if we decide to accelerate increases in our manufacturing capacity internally or through capital contributions to joint ventures. In addition, we could in the future make additional investments in certain of our joint ventures or could guarantee certain financial obligations of our joint ventures, which could reduce our cash flows, increase our indebtedness and expose us to the credit risk of our joint venture partners. In addition, if our financial results or operating plans deviate from our current assumptions, we may not have sufficient resources to support our business plan.

We expect that we will manage our working capital requirements and fund our committed capital expenditures through our current cash and cash equivalents, cash generated from operations, and, in the future, funds available under the debt facilities we expect to enter into in connection with the spin-off. We may fail to obtain these debt facilities on acceptable terms, or at all, and the lenders under such debt may also require us to repay our indebtedness to them in certain events, including the event that our obligations under other indebtedness or contracts are accelerated and we fail to discharge such obligations. If our capital resources are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity investments or debt securities or obtain other debt financings. Market conditions, however, could limit our ability to raise capital by issuing new equity or debt securities at all or on acceptable terms, and lenders may be unwilling to lend funds at all or on acceptable terms. The sale of additional equity investments or convertible or exchangeable debt securities may result in additional dilution to our stockholders. Additional debt would result in increased expenses and could impose new restrictive covenants that may be different from those restrictions contained in the covenants under the debt agreements that we expect to enter into in connection with the spin-off.

If we cannot generate sufficient cash flows, find other sources of capital to fund our operations, or make adequate capital investments to remain technologically and price competitive, we may need to sell additional equity investments or debt securities, or obtain other debt financings. If adequate funds from these or other sources are not available at all or on acceptable terms, our ability to fund our operations, develop and expand our manufacturing operations and distribution network, maintain our research and development efforts, meet our debt service obligations, or otherwise respond to competitive pressures could be significantly impaired. Our inability to do any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

We will have the ability to incur a significant amount of debt following the spin-off. The incurrence of substantial indebtedness and other contractual commitments could adversely affect our business, financial condition, and results of operations, as well as our ability to meet our payment obligations under our debt or other contractual commitments.

Prior to the spin-off, we expect to enter into debt financing arrangements pursuant to which we will have a total available borrowing capacity of up to $325.0 million that is in addition to debt that is currently outstanding. Our debt could have material consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under our outstanding debt;

- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all or a significant portion of our debt becoming immediately due and payable;
- reducing the availability of our cash flows to fund working capital, capital expenditures and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- placing us at a competitive disadvantage compared with our competitors that have less debt or have lower leverage ratios.

Our ability to meet our payment and other obligations under our debt instruments or other contractual commitments depends on our ability to generate significant cash flows, which, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flows from operations, or that future borrowings will be available to us under our existing or any future debt instruments or otherwise, in an amount sufficient to enable us to meet our payment obligations under our debt or other contractual obligations and to fund other liquidity needs. If we are unable to generate sufficient cash flows to service our debt or make payments under our other contractual obligations, we may need to refinance or restructure our debt or seek to raise additional capital. There can be no assurance that we will be successful in any refinancing or restructuring effort.

Failure to meet hiring, capital spending and other requirements to utilize tax incentives provided to us in Singapore, Malaysia and the Philippines, or to avail ourselves of available tax incentives in other jurisdictions, could adversely affect our results.

As part of establishing our new corporate headquarters in Singapore, we expect to utilize incentives from Singapore's Economic Development Board ("EDB"). This is anticipated to include favorable tax treatment and other forms of financial and operational support. Any such incentives will be contingent on our meeting hiring and capital expenditure requirements in Singapore. Failure to meet any conditions of our incentives in Singapore may result in us losing any tax benefits provided to us by the EDB, as well as being required to repay any previous tax benefits received, which could have an adverse effect on our business and operations.

We benefit from a tax holiday granted by the Malaysian government, subject to certain hiring, capital spending, and manufacturing requirements. This is scheduled to expire on June 30, 2021. If we do not continue to comply with the tax holiday's requirements (or achieve a waiver therefrom), we could be retroactively and prospectively subject to statutory tax rates and repayment of certain incentives, which could negatively impact our business.

Our Philippine income tax holiday expired in 2020. However, we continue to qualify for a 5% preferential tax rate on gross income attributable to activities covered by our Philippine Economic Zone Authority ("PEZA") registration. The Philippine net income attributable to all other activities is taxed at the statutory Philippine corporate income tax rate, which is currently 30%. We need to continue to comply with PEZA requirements and remain in good standing to utilize the 5% preferential tax rate. Failure to do so could negatively affect our Philippine business.

The 2019 Federal Act and Tax Reform and AHV Financing removed privileged corporate tax regimes in Switzerland. We previously benefitted from the auxiliary company status and were taxed at an effective tax rate of 11.5% in Switzerland. Starting January 1, 2020, we expect our Swiss subsidiary to be taxed at an effective tax rate of 14%.

More generally, with the finalization of specific actions contained within the Organization for Economic Development and Cooperation's ("OECD") Base Erosion and Profit Shifting ("BEPS") study ("Actions"), many OECD countries have acknowledged their intent to implement the Actions and update their local tax regulations. Among the considerations required by the Actions is the need for appropriate local business operational substance to justify any locally granted tax incentives, such as those described above, and that the incentives are not determined to constitute "state aid" which would invalidate the incentive. If we fail to maintain sufficient operational substance or if the countries determine the incentive regimes do not conform with the BEPS regulations being considered for implementation, adverse material economic impacts may result.

We may be classified as a U.S. corporation for U.S. federal income tax purposes under Section 7874, which could result in Maxeon Solar being subject to U.S. federal income tax indefinitely.

Section 7874 of the Code may cause a corporation organized outside the United States to be treated as a U.S. corporation (and, therefore, taxable in the United States) unless one or more exceptions apply. The application of Section 7874 of the Code and its various exceptions are complex and subject to factual and legal uncertainties, with respect to some of which the U.S. Internal Revenue Service ("IRS") has yet to issue guidance. Based on facts as they presently exist, we do not expect Section 7874 to apply to us. However, if we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we would be subject to U.S. corporate income tax on our worldwide income and the income of our non-U.S. subsidiaries would be subject to U.S. tax when deemed recognized under the U.S. federal income tax rules for controlled foreign subsidiaries. See "Item 10.E. Taxation—Material U.S. Federal Income Tax Considerations—Treatment of Maxeon Solar as a U.S. Company for U.S. Federal Income Tax Purposes."

Risks Related to Our Supply Chain

SunPower's long-term, firm commitment polysilicon supply agreements could result in excess inventory, place us at a competitive disadvantage on pricing, have a negative impact on our liquidity or materially and adversely affect our results of operations.

We are dependent on our suppliers to provide us with the materials we need in our manufacturing processes. Due to an industry-wide shortage of polysilicon experienced prior to 2008, SunPower entered into long-term fixed supply agreements for polysilicon with two suppliers for periods of up to 10 years to match its estimated customer demand forecasts and growth strategy, and these agreements were thereafter extended from time to time. The long-term fixed supply agreements with one of the suppliers expired in the first quarter of fiscal 2019 and the agreements with the second supplier expire in the second quarter of fiscal 2021. SunPower is not permitted to cancel or exit these agreements prior to their expiration. We may negotiate with the second supplier to extend the timing of delivery and acceptance of polysilicon pursuant to the underlying contractual purchase obligations.

Pursuant to the agreements, SunPower purchases polysilicon that it delivers to third-party ingot and wafer manufacturers who sell wafers to SunPower that SunPower then uses in the manufacturing of its solar cells. At the time SunPower entered into the agreements, without sufficient polysilicon, some of those ingot and wafer manufacturers would not have been able to produce the wafers on which SunPower relies.

In connection with the spin-off, we will enter into an agreement with SunPower pursuant to which we will effectively receive SunPower's rights under the continuing long-term fixed supply agreements (including SunPower's deposits and advanced payments thereunder) and, in return, we will agree to perform all of SunPower's existing and future obligations under the agreements (including all take-or-pay obligations). See "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us—Back-to-Back Agreement."

The price of polysilicon currently available in the market has decreased significantly below what is contemplated in the agreements, and our expenditures under the long-term fixed supply agreements with the

remaining supplier may negatively impact our liquidity or put us at a disadvantage relative to our competitors. Specifically, the agreements provide for fixed or inflation-adjusted pricing, which has prevented SunPower, and is expected to prevent us, from benefiting from decreased polysilicon costs and has caused SunPower, and is expected to cause us, to purchase polysilicon at unfavorable pricing and payment terms relative to prices available in the market and payment terms available to our competitors. In addition, in the event that we have inventory in excess of short-term requirements of polysilicon in our manufacturing operations, in order to reduce inventory or improve working capital, we may, as SunPower has periodically done, elect to sell such inventory in the marketplace at prices below our purchase price, thereby incurring a loss. During the fiscal year ended December 29, 2019, we recognized charges of $56.5 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under our long-term fixed supply agreements and we estimate that we paid $88.7 million above the current market price as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process. As of December 29, 2019, based on the then price of polysilicon available in the market, we estimated the remaining contractual commitments under SunPower's long-term fixed supply agreements for polysilicon that is above market to be approximately $258.2 million, which we expect to incur from 2020 through 2021. A portion of this loss may be deferred beyond 2021 as we may negotiate with the supplier to extend the timing of delivery and acceptance of polysilicon pursuant to the underlying contractual purchase obligations.

Further, because the agreements are "take or pay," we could be required to purchase polysilicon from our supplier that is currently not required in our production plan to meet current demand, resulting in additional costs.

Additionally, in the event any of our suppliers experience financial difficulties or go into bankruptcy, it could be difficult or impossible, or may require substantial time and expense, for us to recover any or all of our prepayments to those suppliers.

Any of the foregoing could materially harm our liquidity, financial condition and results of operations and could put us at a disadvantage relative to our competitors.

We will continue to be dependent on a limited number of third-party suppliers for certain raw materials and components for our products, which could prevent us from delivering our products to our customers within required timeframes and could in turn result in sales and installation delays, cancellations, penalty payments, and loss of market share.

We rely on a limited number of third-party suppliers for certain raw materials and components for our solar cells, panels and power systems, such as polysilicon, inverters and module material. If we fail to maintain our relationships with our suppliers or to build relationships with new suppliers, or if suppliers are unable to meet demand through industry consolidation, we may be unable to manufacture our products or our products may be available only at a higher cost or after a long delay.

To the extent the processes that our suppliers use to manufacture components are proprietary, we may be unable to obtain comparable components from alternative suppliers. In addition, the financial markets could limit our suppliers' ability to raise capital if required to expand their production or satisfy their operating capital requirements. As a result, they could be unable to supply necessary raw materials, inventory and capital equipment which we would require to support our planned sales operations to us, which would in turn negatively impact our sales volume, profitability, and cash flows. The failure of a supplier to supply raw materials or components in a timely manner, or to supply raw materials or components that meet our quality, quantity and cost requirements, could impair our ability to manufacture our products or could increase our cost of production. If we cannot obtain substitute materials or components on a timely basis or on acceptable terms, we could be prevented from delivering our products to our customers within required timeframes.

Any such delays could result in sales and installation delays, cancellations, penalty payments or loss of revenue and market share, any of which could have a material adverse effect on our business, financial condition and results of operations.

Fluctuations in the demand for our products may cause impairment of our project assets and other long-lived assets or cause us to write off equipment or inventory, and each of these events could adversely affect our financial results.

In addition, if the demand for our solar products decreases, our manufacturing capacity could be underutilized, and we may be required to record an impairment of our long-lived assets, including facilities and equipment, which would increase our expenses. In improving our manufacturing processes consistent with our cost reduction roadmap, we could write off equipment that is removed from the manufacturing process. In addition, if product demand decreases or we fail to forecast demand accurately, we could be required to write off inventory or record excess capacity charges, which could have a negative impact on our gross margin. Factory-planning decisions may shorten the useful lives of long-lived assets, including facilities and equipment, and cause us to accelerate depreciation. Each of the above events could adversely affect our future financial results.

Risks Related to Our Operations

Our success depends on the continuing contributions of our key personnel and our ability to attract and retain qualified personnel in our industry.

We rely heavily on the services of our key executive officers, and the loss of services of any principal member of our management team could adversely affect our operations. We are investing significant resources in recruiting and developing new members of management in connection with the spin-off. We also anticipate that over time we will need to hire a number of highly skilled technical, manufacturing, administrative, and accounting personnel. The competition for qualified personnel is intense in our industry. We may not be successful in attracting and retaining sufficient numbers of qualified personnel to support our anticipated growth. We cannot guarantee that any employee will remain employed with us for any definite period of time since many of our employees, including our key executive officers, serve at-will and may terminate their employment at any time for any reason.

We derive a significant portion of our revenues from our largest customers.

Historically, we have relied on a limited number of customers for a substantial portion of our revenue. During the year ended December 29, 2019, SunPower accounted for 35.6% of our total revenue. In addition, two other customers accounted for 20.4% and 13.6% of accounts receivable as of December 29, 2019. The loss of any of our significant customers, or the renegotiation of any of our customer agreements, could adversely affect our future financial results.

Because we rely on key customers for a significant portion of our revenues, we depend on the creditworthiness of these customers. If the financial condition of our customers declines, our credit risk could increase. Should one or more of our significant customers declare bankruptcy, it could adversely affect the collectability of our accounts receivable and affect our bad debt reserves and net income.

We have significant international activities and customers, which subject us to additional business risks, including logistical complexity and political instability.

A substantial portion of our sales are made to customers outside of the United States, and a substantial portion of our supply agreements are with supply and equipment vendors located outside of the United States. We have solar cell and module production lines located at our manufacturing facilities in France, Malaysia, Mexico, and the Philippines.

Risks we face in conducting business internationally include:

- multiple, conflicting, and changing laws and regulations, export and import restrictions, employment laws, environmental protection, regulatory requirements, international trade agreements, and other government approvals, permits and licenses;

- potential disruptions due to labor disputes;
- difficulties and costs in staffing and managing foreign operations as well as cultural differences;
- relatively uncertain legal systems, including potentially limited protection for intellectual property rights, and laws, changes in the governmental incentives we rely on, regulations and policies which impose additional restrictions on the ability of foreign companies to conduct business in certain countries or otherwise place them at a competitive disadvantage in relation to domestic companies;
- inadequate local infrastructure and developing telecommunications infrastructures;
- financial risks, such as longer sales and payment cycles and greater difficulty collecting accounts receivable;
- currency fluctuations, government-fixed foreign exchange rates, the effects of currency hedging activity, and the potential inability to hedge currency fluctuations;
- political and economic instability, including wars, acts of terrorism, political unrest, boycotts, curtailments of trade and other business restrictions, as well as natural disasters or outbreaks of disease, such as the existing COVID-19 pandemic;
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries; and
- liabilities associated with compliance with laws (for example, foreign anti-bribery laws).

In addition, the temporary idling of our solar cell and module production lines at our manufacturing facilities, as well as certain modified business practices taken in response to the COVID-19 pandemic, have affected our ability to conduct our business operations around the globe.

We have a complex organizational structure involving many entities globally. This increases the potential impact of adverse changes in laws, rules and regulations affecting the free flow of goods and personnel, and therefore heightens some of the risks noted above. Further, this structure requires us to effectively manage our international inventory and warehouses. If we fail to do so, our shipping movements may not correspond with product demand and flow. Unsettled intercompany balances between entities could result, if changes in law, regulations or related interpretations occur, in adverse tax or other consequences affecting our capital structure, intercompany interest rates and legal structure. If we are unable to successfully manage any such risks, any one or more could materially and negatively affect our business, financial condition and results of operations.

We could be adversely affected by any violations of anti-bribery laws.

The countries in which we operate also have anti-bribery laws, some of which prohibit improper payments to government and non-government persons and entities. Our policies mandate compliance with these anti-bribery laws. We may acquire businesses that operate in parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. In addition, due to the level of regulation in our industry, our entry into new jurisdictions through internal growth or acquisitions requires substantial government contact where norms can differ from standards that exist in the United States and elsewhere. While we implement policies and procedures and conduct training that require and facilitate compliance with these anti-bribery laws, thereby mitigating the risk of violations of such laws, our employees, subcontractors and agents may take actions in violation of our policies and anti-bribery laws. Any such violation, even if prohibited by our policies, could subject us to criminal or civil penalties or other sanctions, which could have a material adverse effect on our business, financial condition, cash flows, and reputation.

If we experience interruptions in the operation of our solar cell or module production lines, our revenue and results of operations may be materially and adversely affected.

If our solar cell or module production lines suffer problems that cause downtime, we might be unable to meet our production targets, which could adversely affect our business. Our manufacturing activities require significant management attention, a significant capital investment and substantial engineering expenditures.

The success of our manufacturing operations is subject to significant risks including:

- cost overruns, delays, supply shortages, equipment problems and other operating difficulties;
- custom-built equipment may take longer or cost more to engineer than planned and may never operate as designed;
- incorporating first-time equipment designs and technology improvements, which we expect to lower unit capital and operating costs, but which may not be successful;
- our ability to obtain or maintain third-party financing to fund capital requirements;
- difficulties in maintaining or improving our historical yields and manufacturing efficiencies;
- difficulties in protecting our intellectual property and obtaining rights to intellectual property developed by our manufacturing partners;
- difficulties in hiring and retaining key technical, management, and other personnel;
- impacts that may arise from, and actions taken in response to, natural disasters, epidemics or pandemics, including the temporary idling of our solar cell and module production lines located at our manufacturing facilities in France, Malaysia, Mexico and the Philippines consistent with actions taken or recommended by governmental authorities in connection with the COVID-19 pandemic;
- potential inability to obtain, or obtain in a timely manner, financing, or approvals from governmental authorities for operations; and
- tariffs imposed on imported solar cells and modules which may cause market volatility, price fluctuations, supply shortages, and project delays.

Any of these or similar difficulties may unexpectedly delay or increase costs of our supply of solar cells.

If we do not achieve satisfactory yields or quality in manufacturing our solar products, our sales could decrease and our relationships with our customers and our reputation may be harmed.

The manufacture of solar cells is a highly complex process. Minor deviations in the manufacturing process can cause substantial decreases in yield and in some cases, cause production to be suspended or yield no output. If we do not achieve planned yields, our product costs could increase and product availability could decrease, which could result in lower revenues than expected. In addition, in the process of transforming polysilicon into ingots, a significant portion of the polysilicon is removed in the process. In circumstances where we provide the polysilicon, if our suppliers do not have very strong controls in place to ensure maximum recovery and utilization, our economic yield can be less than anticipated, which could increase the cost of raw materials to us.

Additionally, products as complex as ours may contain undetected errors or defects, especially when first introduced. For example, our solar cells or solar panels may contain defects that are not detected until after they are shipped or are installed because we cannot test for all possible scenarios. These defects could cause us to incur significant warranty, non-warranty, recall and re-engineering costs, divert the attention of our engineering personnel from product development efforts, and significantly affect our customer relations and business reputation. If we deliver solar products with errors or defects, including cells or panels of third-party manufacturers, or if there is a perception that such solar products contain errors or defects, our credibility and the

market acceptance and sales of our products could be harmed. We could also be required to implement product recalls under applicable law, which could materially and adversely affect our results of operations and financial condition.

We obtain certain of our capital equipment used in our manufacturing process from sole suppliers and if this equipment is damaged or otherwise unavailable, our ability to deliver products on time could suffer, which in turn could result in order cancellations and loss of revenue.

Some of the capital equipment used in the manufacture of our solar power products has been developed and made specifically for us, is not readily available from multiple vendors and would be difficult to repair or replace if it were to become damaged or stop working. If any of these suppliers were to experience financial difficulties or go out of business, or if there were any damage to or a breakdown of our manufacturing equipment, our business could suffer. In addition, a supplier's failure to supply this equipment in a timely manner, with adequate quality and on terms acceptable to us, could delay our future capacity expansion or manufacturing process improvements and otherwise disrupt our production schedule or increase our costs of production.

Fluctuations in foreign currency exchange rates and interest rates could adversely affect our business and results of operations.

We have significant sales globally, and we are exposed to movements in foreign exchange rates, primarily related to sales to European customers that are denominated in Euros. A depreciation of the Euro would adversely affect our margins on sales to European customers. When foreign currencies appreciate against the dollar, inventories and expenses denominated in foreign currencies become more expensive. An increase in the value of the dollar relative to foreign currencies could make our solar power products more expensive for international customers, thus potentially leading to a reduction in demand, our sales and profitability. As a result, substantial unfavorable changes in foreign currency exchange rates could have a substantial adverse effect on our financial condition and results of operations. Although we seek to reduce our currency exposure by engaging in hedging transactions where we deem it appropriate, we do not know whether our efforts will be successful. Because we hedge some of our expected future foreign exchange exposure, if associated revenues do not materialize, we could experience losses. In addition, any break-up of the Eurozone could disrupt our sales and supply chain, expose us to financial counterparty risk, and materially and adversely affect our results of operations and financial condition.

We are exposed to interest rate risk because many of our customers depend on debt financing to purchase our solar power systems. An increase in interest rates could make it difficult for our customers to obtain the financing necessary to purchase our solar power systems on favorable terms, or at all, and thus lower demand for our solar power products, reduce revenue and adversely affect our operating results. An increase in interest rates could lower a customer's return on investment in a system or make alternative investments more attractive relative to solar power systems, which, in each case, could cause our customers to seek alternative investments that promise higher returns or demand higher returns from our solar power systems, which could reduce our revenue and gross margin and adversely affect our operating results. Our interest expense would increase to the extent interest rates rise in connection with our variable interest rate borrowings. Conversely, lower interest rates have an adverse impact on our interest income.

Our use of joint ventures may expose us to risks associated with jointly owned investments.

We currently operate parts of our business through joint ventures with other companies, and we may enter into additional joint ventures and strategic alliances in the future. Joint venture investments may involve risks not otherwise present in investments made solely by us, including:

- we may not control the joint ventures;
- our joint venture partners may not agree to distributions that we believe are appropriate;

- where we do not have substantial decision-making authority, we may experience impasses or disputes with our joint venture partners on certain decisions, which could require us to expend additional resources to resolve such impasses or disputes, including litigation or arbitration;
- our joint venture partners may become insolvent or bankrupt, fail to fund their share of required capital contributions or fail to fulfil their obligations as a joint venture partner;
- the arrangements governing our joint ventures may contain certain conditions or milestone events that may never be satisfied or achieved;
- our joint venture partners may have business or economic interests that are inconsistent with ours and may take actions contrary to our interests;
- we may suffer losses as a result of actions taken by our joint venture partners with respect to our joint venture investments;
- it may be difficult for us to exit a joint venture if an impasse arises or if we desire to sell our interest for any reason; and
- we may make capital investments in our joint ventures, which may limit our ability to apply our resources to other endeavors that we find attractive.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations. In addition, we may, in certain circumstances, be liable for the actions of our joint venture partners.

We depend on our Huansheng joint venture for our Performance Series solar panels and any failure to obtain sufficient volume or competitive pricing could significantly impact our revenues, ability to grow and damage our customer relationships.

We rely upon our Huansheng joint venture for our Performance Series modules. Huangsheng operates as a stand alone entity and has control over its own assembly and testing capacity, delivery schedules, quality assurance, manufacturing yields and production costs. If the operations of our joint venture was disrupted or its financial stability impaired, or if it was unable or unwilling to devote supply to us in a timely manner, or at competitive prices, our business could suffer. We also risk customer delays resulting from an inability to move module production to an alternate provider, and it may not be possible to obtain sufficient capacity or comparable production costs at another facility in a timely manner. In addition, migrating our design methodology to third-party contract manufacturers or to a captive panel assembly facility could involve increased costs, resources and development time, and utilizing third-party contract manufacturers could expose us to further risk of losing control over our intellectual property and the quality of our solar panels. Any reduction in the supply of solar panels could impair our revenue by significantly delaying our ability to ship products and potentially damage our relationships with new and existing customers, any of which could have a material and adverse effect on our financial condition and results of operation.

While we believe we currently have effective internal control over financial reporting, we may identify a material weakness in our internal control over financial reporting that could cause investors to lose confidence in the reliability of our financial statements and result in a decrease in the value of our shares.

Our management is responsible for maintaining internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of combined financial statements for external purposes in accordance with GAAP. We need to continuously maintain our internal control processes and systems and adapt them as our business grows and changes. This process is expensive, time-consuming, and requires significant management attention. Furthermore, as we grow our business, our

internal controls may become more complex and we may require significantly more resources to ensure they remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify material weaknesses in our internal controls, the disclosure of that fact, even if quickly remedied, may cause investors to lose confidence in our financial statements and the trading price of our shares may decline.

Remediation of a material weakness could require us to incur significant expense and if we fail to remedy any material weakness, our financial statements may be inaccurate, our ability to report our financial results on a timely and accurate basis may be adversely affected, our access to the capital markets may be restricted, the trading price of our shares may decline, and we may be subject to sanctions or investigation by regulatory authorities, including the SEC or NASDAQ. We may also be required to restate our financial statements from prior periods.

We may in the future be required to consolidate the assets, liabilities and financial results of certain of our existing or future joint ventures, which could have an adverse impact on our financial position, gross margin, and operating results.

The Financial Accounting Standards Board has issued accounting guidance regarding variable interest entities ("VIEs") that could affect our accounting treatment of our existing and future joint ventures. To ascertain whether we are required to consolidate an entity, we determine whether it is a VIE and if we are the primary beneficiary in accordance with the accounting guidance. Factors we consider in determining whether we are the VIE's primary beneficiary include the decision-making authority of each partner, which partner manages the day-to-day operations of the joint venture and each partner's obligation to absorb losses or right to receive benefits from the joint venture in relation to that of the other partner. Changes in the financial accounting guidance, or changes in circumstances at each of these joint ventures, could lead us to determine that we have to consolidate the assets, liabilities and financial results of such joint ventures. The consolidation of our VIEs could have a material adverse impact on our financial position, gross margin and operating results and could significantly increase our indebtedness. In addition, we may enter into future joint ventures or make other equity investments, which could have an adverse impact on us because of the financial accounting guidance regarding VIEs.

Our manufacturing facilities, as well as the facilities of certain subcontractors and suppliers, are located in regions that are subject to epidemic or pandemic events, earthquakes, floods, and other natural disasters, and climate change and climate change regulation that could have an adverse effect on our operations and financial results.

Our manufacturing facilities are located in France, Malaysia, Mexico and the Philippines. Any significant epidemic or pandemic (including the ongoing COVID-19 pandemic), earthquake, flood, or other natural disaster in these countries or countries where our suppliers are located could materially disrupt our management operations and/or our production capabilities, could result in damage or destruction of all or a portion of our facilities and could result in our experiencing a significant delay in delivery, or substantial shortage, of our products and services. For example, ash and debris from volcanic activity at the Taal Volcano in the Philippines forced closures and evacuations of nearby areas in January 2020 and impacted our employees. In addition, the temporary idling of our solar cell and module production lines at our manufacturing facilities, as well as certain modified business practices taken in response to the COVID-19 pandemic, have affected our ability to conduct our business operations around the globe.

In addition, legislators, regulators, and non-governmental organizations, as well as companies in many business sectors, are considering ways to reduce green-house gas emissions. Further regulation could be forthcoming with respect to green-house gas emissions. Such regulations could result in regulatory or product standard requirements for our global business, including our manufacturing operations. Furthermore, the

potential physical impacts of climate change on our operations may include changes in weather patterns (including floods, tsunamis, drought and rainfall levels), water availability, storm patterns and intensities, and temperature levels. These potential physical effects may adversely affect the cost, production, sales and financial performance of our operations.

Compliance with environmental regulations can be expensive, and noncompliance with these regulations may result in adverse publicity and potentially significant monetary damages and fines.

We use, generate and discharge toxic, volatile, and otherwise hazardous chemicals and wastes in our research and development and manufacturing activities. Any failure by us to control the use of, or to restrict adequately the discharge of, hazardous substances could subject us to, among other matters, potentially significant monetary damages and fines or liabilities or suspensions in our business operations. In addition, if more stringent laws and regulations are adopted in the future, the costs of compliance with these new laws and regulations could be substantial. If we fail to comply with present or future environmental laws and regulations, we may be required to pay substantial fines, suspend production or cease operations, or be subjected to other sanctions.

Our insurance for certain indemnity obligations we have to our officers and directors may be inadequate, and potential claims could materially and negatively impact our financial condition and results of operations.

Pursuant to our Constitution, we will indemnify our officers and directors for certain liabilities that may arise in the course of their service to us. Although we currently maintain director and officer liability insurance for certain potential third-party claims for which we are legally or financially unable to indemnify them, such insurance may be inadequate to cover certain claims, or may prove prohibitively costly to maintain in the future. In addition, we may choose to primarily self-insure with respect to potential third-party claims. If we were required to pay a significant amount on account of these liabilities for which we self-insured, our business, financial condition, and results of operations could be materially harmed.

Risks Related to Our Intellectual Property

We depend on our intellectual property, and we may face intellectual property infringement claims that could be time-consuming and costly to defend and could result in the loss of significant rights.

From time to time, we, our customers, or our third parties with whom we work may receive letters, including letters from other third parties, and may become subject to lawsuits with such third parties alleging infringement of their patents or other intellectual property rights. Additionally, we are required by contract to indemnify some of our customers and our third-party intellectual property providers for certain costs and damages of patent infringement in circumstances where our products are a factor creating the customer's or these third-party providers' infringement liability. This practice may subject us to significant indemnification claims by our customers and our third-party providers. We cannot assure investors that indemnification claims will not be made or that these claims will not harm our business, operating results or financial condition. Intellectual property litigation is very expensive and time-consuming and could divert management's attention from our business and could have a material adverse effect on our business, operating results or financial condition. If there is a successful claim of infringement against us, our customers or our third-party intellectual property providers, we may be required to pay substantial damages to the party claiming infringement, stop selling products or using technology that contains the allegedly infringing intellectual property, or enter into royalty or license agreements that may not be available on acceptable terms, if at all. Parties making infringement claims may also be able to bring an action before the International Trade Commission that could result in an order stopping the importation into the United States of our solar products. Any of these judgments could materially damage our business. We may have to develop non-infringing technology, and our failure in doing so or in obtaining licenses to the proprietary rights on a timely basis could have a material adverse effect on our business, financial condition and results of operations.

We may file claims against other parties for infringing our intellectual property that may be very costly and may not be resolved in our favor.

To protect our intellectual property rights and to maintain our competitive advantage, we may file suits against parties who we believe infringe or misappropriate our intellectual property. Intellectual property litigation is expensive and time consuming, could divert management's attention from our business, and could have a material adverse effect on our business, operating results, or financial condition, and our enforcement efforts may not be successful. In addition, the validity of our patents may be challenged in such litigation. Our participation in intellectual property enforcement actions may negatively impact our financial results.

Our business is subject to a variety of U.S. and international laws, rules, policies, and other obligations regarding privacy, data protection, and other matters.

We are subject to U.S. and international laws relating to the collection, use, retention, security, and transfer of customer, employee, and business partner personally identifiable information ("PII"), including the European Union's General Data Protection Regulation ("GDPR"), which came into effect in May 2018, and the California Consumer Privacy Act ("CCPA"), which came into effect on January 1, 2020. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between one company and its subsidiaries, and among the subsidiaries and other parties with which we have commercial relations. The introduction of new products or expansion of our activities in certain jurisdictions may subject us to additional laws and regulations. Foreign data protection, privacy, and other laws and regulations, including GDPR, can be more restrictive than those in the United States. These U.S. federal and state and foreign laws and regulations, including GDPR which can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. In addition, the application and interpretation of these laws and regulations, including GDPR, are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. These existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to inquiries or investigations, claims or other remedies, including fines, which may be significant, or demands that we modify or cease existing business practices.

A failure by us, our suppliers, or other parties with whom we do business to comply with posted privacy policies or with other U.S. or international privacy-related or data protection laws and regulations, including GDPR and CCPA, could result in proceedings against us by governmental entities or others, which could have a material adverse effect on our business, results of operations, and financial condition.

We rely substantially upon trade secret laws and contractual restrictions to protect our proprietary rights, and, if these rights are not sufficiently protected, our ability to compete and generate revenue, profit and cash flows could suffer.

We seek to protect our proprietary manufacturing processes, documentation, and other written materials primarily under trade secret and copyright laws. We also typically require employees, consultants, and third parties, such as our suppliers, vendors and customers, with access to our proprietary information to execute confidentiality agreements. The steps we take to protect our proprietary information may not be adequate to prevent misappropriation of our technology. Our systems may be subject to intrusions, security breaches, or targeted theft of our trade secrets. In addition, our proprietary rights may not be adequately protected because:

- others may not be deterred from misappropriating our technologies despite the existence of laws or contracts prohibiting such misappropriation and information security measures designed to deter or prevent misappropriation of our technologies;
- policing unauthorized use of our intellectual property may be difficult, expensive, and time-consuming, the remedy obtained may be inadequate to restore protection of our intellectual property, and moreover, we may be unable to determine the extent of any unauthorized use; and

- the laws of other countries in which we market our solar products, such as some countries in the Asia/Pacific region, may offer little or no protection for our proprietary technologies.

Reverse engineering, unauthorized copying, or other misappropriation of our proprietary technologies could enable third parties to benefit from our technologies without compensating us for doing so. Our joint ventures or our partners may not be deterred from misappropriating our proprietary technologies despite contractual and other legal restrictions. Legal protection in countries where our joint ventures are located may not be robust and enforcement by us of our intellectual property rights may be difficult. As a result, our joint ventures or our partners could directly compete with our business. Any such activities or any other inabilities to adequately protect our proprietary rights could harm our ability to compete, to generate revenue, profit and cash flows, and to grow our business.

We may not obtain sufficient patent protection on the technology embodied in the solar products we currently or plan to manufacture and market, which could harm our competitive position and increase our expenses.

Although we substantially rely on trade secret laws and contractual restrictions to protect the technology in the solar products we currently manufacture and market, our success and ability to compete in the future may also depend to a significant degree upon obtaining patent protection for our proprietary technology. We currently own multiple patents and patent applications which cover aspects of the technology in the solar cells and solar panels that we currently manufacture and market. We intend to continue to seek patent protection for those aspects of our technology, designs, and methodologies and processes that we believe provide significant competitive advantages.

Our patent applications may not result in issued patents, and even if they result in issued patents, the patents may not have claims of the scope we seek or we may have to refile patent applications due to newly discovered prior art. In addition, any issued patents may be challenged, invalidated, or declared unenforceable, or even if we obtain an award of damages for infringement by a third party, such award could prove insufficient to compensate for all damages incurred as a result of such infringement.

The term of any issued patent is generally 20 years from its earliest filing date and if our applications are pending for a long time period, we may have a correspondingly shorter term for any patent that may issue. Our present and future patents may provide only limited protection for our technology and may be insufficient to provide competitive advantages to us. For example, competitors could develop similar or more advantageous technologies on their own or design around our patents. Also, patent protection in certain non-U.S. countries may not be available or may be limited in scope and any patents obtained may not be readily enforceable because of insufficient judicial effectiveness, making it difficult for us to aggressively protect our intellectual property from misuse or infringement by other companies in these countries. Our inability to obtain and enforce our intellectual property rights in some countries may harm our business. In addition, given the costs of obtaining patent protection, we may choose not to protect certain innovations in general or in specific geographies that later turn out to be important.

We may not be able to prevent others from using trademarks which we hold or will hold in connection with their solar power products, which could adversely affect the market recognition of our name and our revenue, profits and cash flows.

We hold registered trademarks for Maxeon, SunPower and other marks, in certain countries, including, in the case of Maxeon, the United States. We have not registered, and may not be able to register, these trademarks in other key countries. In the foreign jurisdictions where we are unable to obtain or have not tried to obtain registrations, others may be able to sell their products using trademarks compromising or incorporating our chosen brands, which could lead to customer confusion. In addition, if there are jurisdictions where another proprietor has already established trademark rights in marks containing our chosen brands, we may face trademark disputes and may have to market our products with other trademarks or without our trademarks, which may undermine our marketing efforts. In addition, we may have difficulty in establishing strong brand recognition with consumers if others use similar marks for similar products.

We may be subject to breaches of our information technology systems, which could lead to disclosure of our internal information, damage our reputation or relationships with customers, and disrupt access to our online services. Such breaches could subject us to significant reputational, financial, legal, and operational consequences.

Our business requires us to use and store confidential and proprietary information, intellectual property, commercial banking information, personal information concerning customers, employees, and business partners, and corporate information concerning internal processes and business functions. Malicious attacks to gain access to such information affects many companies across various industries, including ours.

In certain instances, we use encryption and authentication technologies to secure the transmission and storage of data. These security measures may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management, or other irregularity or malicious effort, and result in persons obtaining unauthorized access to our data.

We devote resources to network security, data encryption, and other security measures to protect our systems and data, but these security measures cannot provide absolute security. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, target end users through phishing and other malicious techniques, and/or may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or implement adequate preventative measures. As a result, we have experienced breaches of our systems in the past, and we may experience a breach of our systems in the future that reduces our ability to protect sensitive data. In addition, hardware, software, or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deceiving our team members, contractors and temporary staff. If we experience, or are perceived to have experienced, a significant data security breach, fail to detect and appropriately respond to a significant data security breach, or fail to implement disclosure controls and procedures that provide for timely disclosure of data security breaches deemed material to our business, including corrections or updates to previous disclosures, we could be exposed to a risk of loss, increased insurance costs, remediation and prospective prevention costs, damage to our reputation and brand, litigation and possible liability, or government enforcement actions, any of which could detrimentally affect our business, results of operations, and financial condition.

We may also share information with contractors and third-party providers to conduct our business. While we generally review and typically request or require such contractors and third-party providers to implement security measures, such as encryption and authentication technologies to secure the transmission and storage of data, those third-party providers may experience a significant data security breach, which may also detrimentally affect our business, results of operations, and financial condition as discussed above.

We may be subject to information technology system failures or network disruptions that could damage our business operations, financial conditions, or reputation.

We may be subject to information technology system failures and network disruptions. These may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, or similar events or disruptions. System redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could result in delayed or canceled orders. System failures and disruptions could also impede the manufacturing and shipping of products, delivery of online services, transactions processing, and financial reporting.

Risks Related to the Separation from SunPower

The spin-off may not be successful and as an independent, publicly traded company, we will not enjoy the same benefits that we did as a subsidiary of SunPower.

Upon completion of the spin-off, we will be a standalone public company. The process of becoming a standalone public company may distract our management from focusing on our business and strategic priorities. Further, we may not be able to issue debt or equity on terms acceptable to us or at all and we may not be able to attract and retain employees as desired. We also may not fully realize the anticipated benefits of the separation and of being a standalone public company, or the realization of such benefits may be delayed, if any of the risks identified in this "Risk Factors" section, or other events, were to occur.

As a separate public company, we will be a smaller and less diversified company than SunPower, and we may not have access to financial and other resources comparable to those available to SunPower prior to the spin-off or enjoy certain other benefits that we did as a subsidiary of SunPower. We cannot predict the effect that the spin-off will have on our relationship with partners or employees or our relationship with government regulators. We may also be unable to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to the spin-off. Furthermore, as a less diversified company, we may be more likely to be negatively impacted by changes in global market conditions, regulatory reforms and other industry factors, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

We may not achieve some or all of the anticipated benefits of the spin-off, and the spin-off may adversely affect our business.

We may not be able to achieve some or all of the strategic, financial, operational, marketing or other benefits anticipated to result from the spin-off, or such benefits may be delayed or not occur at all. There is risk that we will not achieve the following anticipated benefits, among others, following the spin-off:

- an increase in strategic agility across our manufacturing and technology value chains;
- a distinct investment identity;
- a more efficient allocation of capital due to increased business focus;
- a direct access to capital markets;
- an enhanced operational and management focus; and
- a more direct alignment of incentives with performance objectives.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- the spin-off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business;
- following the spin-off, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of SunPower;
- the costs associated with being a standalone public company;
- following the spin-off, our business will be less diversified than the SunPower business prior to the spin-off; and
- the other actions required to separate our and SunPower's respective businesses could disrupt our operations.

We cannot predict with certainty when the benefits anticipated from the spin-off will occur or the extent to which they will be achieved. If we fail to achieve some or all of the benefits anticipated to result from the spin-off, or if such benefits are delayed, our business, financial condition and results of operations could be adversely affected.

Our historical financial information is not necessarily representative of the results we would have achieved as a standalone public company and may not be a reliable indicator of our future results.

Our historical financial statements have been derived (carved out) from the SunPower consolidated financial statements and accounting records, and these financial statements and the other historical financial information of Maxeon Solar included in this Form 20-F are presented on a combined basis. This combined information does not necessarily reflect the financial position, results of operations and cash flows we would have achieved as a standalone public company during the period presented, or those that we will achieve in the future.

This is primarily because of the following factors:

- For the period covered by our combined financial statements, our business was operated within legal entities which hosted portions of other SunPower businesses.
- Income taxes attributable to our business were determined using the separate return approach, under which current and deferred income taxes are calculated as if a separate tax return had been prepared in each tax jurisdiction. Actual outcomes and results could differ from these separate tax return estimates, including those estimates and assumptions related to realization of tax benefits within certain SunPower tax groups.
- Our combined financial statements include an allocation and charges of expenses related to certain SunPower functions such as those related to financial reporting and accounting operations, human resources, real estate and facilities services, procurement and information technology. However, the allocations and charges may not be indicative of the actual expense that would have been incurred had we operated as an independent, publicly traded company for the period presented therein.
- Our combined financial statements include an allocation from SunPower of certain corporate-related general and administrative expenses that we would incur as a publicly traded company that we have not previously incurred. The allocation of these additional expenses, which are included in the combined financial statements, may not be indicative of the actual expense that would have been incurred had we operated as an independent, publicly traded company for the period presented therein.
- In connection with the spin-off, we expect to incur one-time costs after the completion of the spin-off relating to the transfer of information technology systems from SunPower to us.
- As part of SunPower, we historically benefited from discounted pricing with certain suppliers as a result of the buying power of SunPower. As a separate entity, we may not obtain the same level of supplier discounts historically received.
- In connection with the completion of the spin-off, we expect to enter into debt financing arrangements pursuant to which we will have total available borrowing capacity of up to $325.0 million. Such indebtedness and the related interest expense associated with such debt is expected to be between $13.4 million and $19.0 million per year, and are not reflected in our combined financial statements. Whether we will have borrowings outstanding under the credit facility as of the close of the transaction will depend on our operating and capital expenditure requirements at that time.

Therefore, our historical financial information may not necessarily be indicative of our future financial position, results of operations or cash flows, and the occurrence of any of the risks discussed in this “Risk Factors” section, or any other event, could cause our future financial position, results of operations or cash flows to materially differ from our historical financial information.

Our ability to operate our business effectively may suffer if we do not, quickly and cost effectively, establish our own administrative and support functions necessary to operate as a standalone public company.

In connection with our separation from SunPower, we are creating our own financial, administrative, corporate governance, and listed company compliance and other support systems, including for the services

SunPower had historically provided to us, or expect to contract with third parties to replace SunPower systems that we are not establishing internally. We expect this process to be complex, time consuming and costly. In addition, we are also establishing or expanding our own tax, treasury, internal audit, investor relations, corporate governance, and listed company compliance and other corporate functions. These corporate functions fall beyond the scope of the operational service domains formerly provided by SunPower and will require us to develop new standalone corporate functions. We may need to make significant investments to replicate, or will need to outsource from other providers, these corporate functions to replace these additional corporate services that SunPower historically provided us prior to the spin-off. SunPower will continue to provide support for certain of our key business functions after the spin-off for approximately 12 months, with an option to extend such support for an additional six months by mutual written agreement, pursuant to the Transition Services Agreement and certain other agreements we will enter into with SunPower. Any failure or significant downtime in our own financial, administrative or other support systems or in the SunPower financial, administrative or other support systems during the transitional period in which SunPower provides us with support could negatively impact our results of operations or prevent us from paying our suppliers and employees, executing business combinations and foreign currency transactions or performing administrative or other services on a timely basis, which could negatively affect our results of operations.

Further, as a standalone public company, we will incur significant legal, accounting and other expenses that we did not incur as part of SunPower. The provisions of the Sarbanes-Oxley Act of 2002 (“SOX”), as well as rules subsequently adopted by the SEC and the NASDAQ, have imposed various requirements on public companies, including changes in corporate governance practices. For example, SOX requires, among other things, that we maintain and periodically evaluate our internal control over financial reporting and disclosure controls and procedures. In particular, we and our managers will have to perform system and process evaluation and testing of our and their internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of SOX.

Although we currently test our internal controls over financial reporting on a regular basis, we have done so in accordance with the financial reporting practices and policies of SunPower, not as a standalone entity. Doing so for ourselves will require our management and other personnel to devote a substantial amount of time to comply with these requirements and will also increase our legal and financial compliance costs. In particular, compliance with Section 404 of SOX will require a substantial accounting expense and significant management efforts. We cannot be certain at this time that all of our controls will be considered effective and our internal control over financial reporting may not satisfy the regulatory requirements when they become applicable to us.

The transitional services SunPower has agreed to provide us may not be sufficient for our needs. In addition, we or SunPower may fail to perform under various transaction agreements that will be executed as part of the spin-off or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.

In connection with the spin-off, we and SunPower entered into a Separation and Distribution Agreement and will enter into various other agreements, including the Tax Matters Agreement, Employee Matters Agreement, Transition Services Agreement, Supply Agreement, Brand Framework Agreement, Cross License Agreement and Collaboration Agreement and other separation-related agreements. See “Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us.” Certain of these agreements will provide for the performance of key business services by SunPower for our benefit for a period of time after the spin-off. These services may not be sufficient to meet our needs and the terms of such services may not be equal to or better than the terms we may have received from unaffiliated third parties.

We will rely on SunPower to satisfy its performance and payment obligations under these agreements. If SunPower is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services once certain transitional agreements expire, we

may not be able to operate our business effectively and this may have an adverse effect on our business, financial condition and results of operations. In addition, after our agreements with SunPower expire, we may not be able to obtain these services at as favorable prices or on as favorable terms.

The spin-off could result in significant tax liability to SunPower and us, and in certain circumstances, we could be required to indemnify SunPower for material taxes pursuant to indemnification obligations under the Tax Matters Agreement. In addition, we will agree to certain restrictions designed to preserve the tax treatment of the spin-off that may reduce our strategic and operating flexibility. Finally, in certain circumstances, SunPower could determine not to proceed with the spin-off.

It is a condition to the spin-off that SunPower receives a written opinion of Jones Day, counsel to SunPower (the "Tax Opinion") to the effect that the spin-off should not result in any recognition of gain and loss to (and no amount should be includible in the income of) SunPower shareholders under Section 355 of the Code.

The Tax Opinion will be based on certain facts, assumptions and representations from, and undertakings by, SunPower and us and other relevant parties. The Tax Opinion may not be relied on if any of the facts, assumptions, representations or undertakings described therein are incorrect, incomplete or inaccurate or are violated in any material respect. For instance, the Tax Opinion relies on certain significant ownership interests in the resulting companies continuing after the distribution. Whether such ownership continues may be out of SunPower's or Maxeon Solar's control following the completion of the distribution. The Tax Opinion will not be binding in any court, and there can be no assurance that the relevant tax authorities or any court will not take a contrary position.

If the spin-off is determined not to qualify for the treatment described in the Tax Opinion, or if any conditions in the Tax Opinion are not observed, then SunPower could suffer adverse U.S. withholding tax consequences and, under certain circumstances, we could have an indemnification obligation to SunPower with respect to some or all of the resulting tax to SunPower under the Tax Matters Agreement we intend to enter into with SunPower, as described in "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us—Tax Matters Agreement."

In addition, under the Tax Matters Agreement, we will agree to certain restrictions designed to preserve the tax-free nature of the distribution for U.S. federal income tax purposes to SunPower shareholders. These restrictions may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that might be beneficial and could discourage or delay strategic transactions that our shareholders may consider favorable. See "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us—Tax Matters Agreement" for more information.

Risks Related to the Spin-Off and Ownership of Our Shares

The price of our shares after the spin-off may be volatile.

The market price for our shares may be volatile. This market volatility, as well as general economic, market or political conditions and the impacts of the COVID-19 pandemic, could reduce the market price of our shares in spite of our operating performance. In addition, if trading of our shares is substantially localized on the NASDAQ, we may not meet the liquidity or other criteria necessary for inclusion in various stock indices that are based on our trading volumes on another exchange. This could have a further negative impact on the price of our shares.

Furthermore, in the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business and financial results.

Substantial sales of our shares may occur in connection with the spin-off, which could cause our share price to decline.

It is possible that some SunPower shareholders, including some of its larger shareholders, will sell their Maxeon Solar shares received in the spin-off if, for reasons such as our business profile or market capitalization as a standalone company, we do not fit their investment objectives, or they consider holding our shares to be impractical or difficult due to listing, tax or other considerations. The sales of significant amounts of our shares, or the perception in the market that this will occur, may decrease the market price of our shares.

Total's and TZS's expected significant ownership of our shares may adversely affect the liquidity and value of our shares.

As of the date of this Form 20-F, Total owns a significant percentage of shares of SunPower's outstanding common stock. Because the spin-off will involve a pro rata distribution to SunPower shareholders, if Total retains this ownership percentage in SunPower until the record date for the spin-off then Total will own an equivalent percentage of Maxeon Solar shares immediately following the distribution but prior to the TZS investment. Furthermore, upon consummation of the spin-off and investment, Total will continue to, and TZS will, possess significant influence and control over our affairs. As long as each of Total and TZS owns a significant percentage of our shares, the ability of our other shareholders to influence matters requiring shareholder approval will be limited.

Additionally, Total's and TZS's share ownership and relationships with members of the Maxeon Solar Board could have the effect of preventing other shareholders from exercising significant control over our affairs, delaying or preventing a future change in control, impeding a merger, consolidation, takeover, or other business combination or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, limiting our financing options. These factors in turn could adversely affect the market price of our shares or prevent our shareholders from realizing a premium over the market price of our shares.

If a substantial number of Maxeon Solar shares become available for sale and are sold in a short period of time, the market price of Maxeon Solar shares could decline.

For two years after the Shareholders Agreement becomes effective, each of Total and TZS are required, subject to certain exceptions, to not dispose of Maxeon Solar shares if the disposition would cause either of them to hold less than 20% of the outstanding Maxeon Solar shares (determined as set forth therein) following such transaction. Further, Total is required to not dispose of any Maxeon Solar shares during that two-year period if immediately prior to such disposal it holds fewer shares than TZS or if the disposal would cause Total to hold fewer shares than TZS (again, subject to certain exceptions).

Notwithstanding the provisions of the Shareholders Agreement, under certain limited circumstances, each of Total and TZS have the ability to sell a substantial number of Maxeon Solar shares during the two-year period following the spin-off and thereafter. If our existing significant shareholders sell substantial amounts of Maxeon Solar shares in the market, the market price of Maxeon Solar shares could decrease significantly. The perception in the market that our existing significant shareholders might sell shares could also depress our share price. A decline in the price of Maxeon Solar shares may impede our ability to raise capital through the issuance of additional shares or other equity securities.

The combined post-spin-off value of our shares and the SunPower shares may not equal or exceed the aggregate pre-spin-off value of the SunPower shares and our shares.

After the spin-off, the SunPower shares will continue to be listed and traded on the NASDAQ. Our shares will be traded under the symbol "MAXN" on the NASDAQ. We have no current plans to apply for listing on any additional stock exchanges. As a result of the spin-off, SunPower expects the trading prices of SunPower shares

in the regular-way market at market open on the trading day following the distribution date will be lower than the trading prices in the regular-way market at market close on the distribution date, because the trading prices will no longer reflect the value of the Maxeon Business. There can be no assurance that the aggregate market value of the SunPower shares and our shares following the spin-off and after giving effect to the investment by TZS will be higher than, equal to or lower than the market value of SunPower shares if the spin-off did not occur. This means, for example, that the combined trading prices of eight SunPower shares and one Maxeon Solar share after market open following the distribution date may be equal to, greater than or less than the trading prices of one SunPower share prior to the distribution date. In addition, your SunPower shares sold in the "ex-distribution" market (as opposed to the "regular-way market") will reflect an ownership interest solely in SunPower and will not include the right to receive any of our shares in the spin-off, but may not yet accurately reflect the value of such SunPower shares excluding the Maxeon Business.

Your percentage ownership in Maxeon Solar may be diluted in the future.

In the future, your percentage ownership in us may be diluted because of equity issuances from acquisitions, capital markets transactions or otherwise, including equity awards that we will be granting to our directors, officers and employees and conditional capital we hold for purposes of our employee participation plans. Our employees will have rights to purchase or receive our shares after the distribution as a result of the conversion of their SunPower equity awards into Maxeon Solar equity awards and the grant of Maxeon Solar equity awards, including restricted share units and performance share units, in each case, in order to preserve the aggregate value of the equity awards held by our employees immediately prior to the spin-off. See "Item 6. Directors, Senior Management and Employees—6.B. Compensation" for further detail on the awards that are expected to be granted in connection with the spin-off. As of the date of this Form 20-F, the exact number of our shares that will be subject to the converted and granted Maxeon Solar awards is not determinable, and, therefore, it is not possible to determine the extent to which your percentage ownership in us could be diluted as a result. It is anticipated that the Compensation Committee of the Maxeon Solar Board will grant additional equity awards to our employees and directors after the spin-off, from time to time, under our employee benefits plans. These additional awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our shares.

We do not intend to pay dividends on our shares and no assurance can be given that we will pay or declare dividends in the future.

For the foreseeable future, we intend to retain any earnings to finance the development of our business, and we do not anticipate paying any cash dividends on our shares, and no assurance can be given that we will pay or declare dividends in the future. The Maxeon Solar Board may, in its discretion, recommend the payment of a dividend in respect of a given fiscal year. However, the declaration, timing, and amount of any dividends to be paid by us following the spin-off will be subject to the approval of our shareholders at the relevant Annual General Meeting of shareholders. The determination of the Maxeon Solar Board as to whether to recommend a dividend and the approval of any such proposed dividend by our shareholders, will depend upon many factors, including our financial condition, earnings, corporate strategy, capital requirements of our operating subsidiaries, covenants, legal requirements and other factors deemed relevant by the Maxeon Solar Board and shareholders. See "Item 10. Additional Information—10.B. Memorandum and Articles of Association—Dividends" for more information.

Following the spin-off and TZS investment, Total and its affiliates will own approximately 36.7% of the voting power of outstanding Maxeon Solar shares and TZS will own approximately 28.8% of the voting power of outstanding Maxeon Solar shares, and the interests of Total and/or TZS may differ from the interests of other Maxeon Solar shareholders.

Although Total and its affiliates will no longer be a majority shareholder after the completion of the spin-off and TZS investment, subject to the Shareholders Agreement, Total may still exercise significant influence over

matters submitted to our shareholders for approval through its ownership of Maxeon Solar shares representing approximately 36.7% of the voting power of outstanding Maxeon Solar shares. Similarly, TZS may exercise significant influence over matters submitted to our shareholders for approval through its ownership of Maxeon Solar shares representing approximately 28.8% of the voting power of outstanding Maxeon Solar shares after its investment.

Total and/or TZS may have different interests than other Maxeon Solar shareholders on matters which may affect our operational and financial decisions. Among other things, their influence could delay, defer or prevent a sale of Maxeon Solar that other shareholders support, or, conversely, this influence could result in the consummation of such a transaction that other shareholders do not support. This concentrated influence could discourage a potential investor from seeking to acquire Maxeon Solar shares and, as a result, might harm the market price of Maxeon Solar shares.

We may not experience the same benefits from the support of our significant investors that we have historically received as a result of Total's majority position in SunPower and the ownership of TZS by the Tianjin government.

Following the TZS investment, we will no longer be controlled by Total. As part of SunPower, which is currently majority-owned by Total, we have been able to benefit from Total's financial strength and extensive business relationships. After the completion of the spin-off, we may no longer experience these benefits. The Tianjin government, through Tianjin Zhonghuan Electronic and Information Group Co., Ltd. (the "TZ Group"), owns a substantial equity interest in TZS and has supported the development of solar technology, including through our Performance Line joint venture. The Tianjin Government has announced a sale of its interest in the TZ Group to a third party. While each of Total and TZS have agreed to retain their ownership interest in us of at least a specified percentage for two years after the Shareholders Agreement becomes effective, our diminished association with Total and the acquisition of the interest in the TZ Group by a third party could adversely affect the strategic commitment of our partners, future investment in our business, our ability to attract new customers or maintain existing business relationships with customers, suppliers and other business partners, all of which could have a material adverse effect on our business, financial condition and results of operations.

We cannot be certain if the reduced disclosure requirements applicable to emerging growth companies that we have elected to comply with will make our ordinary shares less attractive to investors.

We are currently treated as an "emerging growth company" as defined in the JOBS Act and, as a result, are eligible for reduced disclosure requirements applicable to emerging growth companies until the earlier of the effective date of the spin-off and January 3, 2021.

We cannot predict if investors will find the Maxeon Solar shares less attractive because we have relied on the exemption that permits such reduced disclosure. If some investors find the Maxeon Solar shares less attractive as a result, there may be a less active trading market for the Maxeon Solar shares and our share price may be more volatile.

As of the date of the spin-off, we will be a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

Upon consummation of the spin-off, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, foreign private issuers are

not required to file their annual report on Form 20-F until four months after the end of each financial year, while U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from the Regulation FD, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers or controlled companies.

In addition, as a foreign private issuer, we will also be entitled to rely on exceptions from certain corporate governance requirements of the NASDAQ.

As a result, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

As a FPI, we are permitted and expect to follow certain home country corporate governance requirements in lieu of certain NASDAQ requirements applicable to domestic issuers.

As a FPI, and if our shares are approved for listing on the NASDAQ Global Select Market, we will be permitted to, and intend to, follow certain home country corporate governance requirements in lieu of certain NASDAQ requirements. Following our home country corporate governance requirements, as opposed to the requirements that would otherwise apply to a U.S. company listed on the NASDAQ, may provide less protection than is afforded to investors under the NASDAQ rules applicable to domestic issuers.

In particular, we expect to follow home country requirements instead of NASDAQ requirements otherwise applicable to U.S. companies regarding:

- The NASDAQ's requirement that a majority of the Maxeon Solar Board be "independent" as defined by the NASDAQ rules.
- The NASDAQ's requirement that an issuer provide for a quorum as specified in its bylaws for any meeting of the holders of ordinary shares, which quorum may not be less than 33 1/3% of the outstanding shares of an issuer's voting ordinary shares. In compliance with Singapore law, our Constitution provides that two members of Maxeon Solar present shall constitute a quorum for a general meeting.
- The NASDAQ's requirement that all members of our Compensation Committee be "independent" as defined in the NASDAQ rules. While the Maxeon Solar Board will establish a Compensation Committee, Singapore law does not require us to maintain such a committee. Similarly, Singapore law does not require that we disclose information regarding third-party compensation of our directors or director nominees.
- The NASDAQ's requirement that our Nominating and Corporate Governance Committee be "independent" as defined in the NASDAQ rules. Singapore law does not require a Nominating and Corporate Governance Committee to be comprised entirely of independent directors, and nominations of persons for election to the Maxeon Solar Board will be recommended by our Nominating and Corporate Governance Committee whose members are not all independent directors as defined by the NASDAQ rules.
- The NASDAQ's requirement that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, changes of controls or private placements of securities, or the establishment or amendment of certain stock option, purchase or other compensation plans. Under Singapore law, new shares may be issued only with the prior approval of our shareholders in a general meeting. Approval, if granted, shall continue in force until the earlier of:
  - the conclusion of the next annual general meeting after the date on which the approval was given; and
  - the expiration of the period within which the next annual general meeting after that date is required by law to be held.

  Any approval may be previously revoked by the company in a general meeting.

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant additional legal, accounting and other expenses.

We will be a foreign private issuer as of the date of the spin-off and therefore we will not be required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. In order to maintain our status as a foreign private issuer, either (a) a majority of our shares must be directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors may not be United States citizens or residents, (ii) more than 50% of our assets cannot be located in the United States and (iii) our business must be administered principally outside the United States.

If we were to lose our foreign private issuer status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. For instance, we would be required to make changes in our corporate governance practices in accordance with various SEC and NASDAQ rules. The regulatory and compliance costs to us under U.S. securities laws when we would be required to comply with the reporting requirements applicable to a U.S. domestic issuer could be significantly higher than the costs we will incur as a foreign private issuer. As a result, a loss of foreign private issuer status could increase our legal and financial compliance costs and could make some activities highly time-consuming and costly. If we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it could make it more difficult and expensive for us to obtain director and officer liability insurance, and we could be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of the Maxeon Solar Board.

It may be difficult to enforce a judgment of U.S. courts for civil liabilities under U.S. federal securities laws against us, our directors or officers in Singapore.

We are incorporated under the laws of Singapore and certain of our officers and directors are or will be residents outside of the United States. Moreover, most of our assets are located outside of the United States. Although we are incorporated outside of the United States, we have agreed to accept service of process in the United States through our agent designated for that specific purpose.

There is no treaty between the United States and Singapore providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters, such that a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would, therefore, not be automatically enforceable in Singapore. Additionally, there is doubt whether a Singapore court may impose civil liability on us or our directors and officers who reside in Singapore in a suit brought in the Singapore courts against us or such persons with respect to a violation solely of the federal securities laws of the United States, unless the facts surrounding such a violation would constitute or give rise to a cause of action under Singapore law. Accordingly, it may be difficult for investors to enforce against us, our directors or our officers in Singapore, judgments obtained in the United States which are predicated upon the civil liability provisions of the federal securities laws of the United States.

We are incorporated in Singapore and our shareholders may have greater difficulty in protecting their interests than they would as shareholders of a corporation incorporated in the United States.

Our corporate affairs will be governed by our Constitution and by the laws governing companies incorporated in Singapore. The rights of our shareholders and the responsibilities of the members of the Maxeon Solar Board under Singapore law are different from those applicable to a corporation incorporated in the United States. Therefore, our public shareholders may have more difficulty in protecting their interest in connection with actions taken by our management or members of the Maxeon Solar Board than they would as shareholders of a corporation incorporated in the United States. For information on the differences between Singapore and Delaware corporation law, see "Item 10.B. Memorandum and Articles of Association —Comparison of Shareholder Rights."

Singapore corporate law may impede a takeover of our company by a third party, which could adversely affect the value of our shares.

The Singapore Code on Take-overs and Mergers and Sections 138, 139 and 140 of the SFA contain certain provisions that may delay, deter or prevent a future takeover or change in control of our company for so long as we remain a public company with more than 50 shareholders and net tangible assets of S$5 million (approximately $4 million USD) or more. Any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with such person, in 30% or more of our voting shares, or, if such person holds, either on his own or together with parties acting in concert with such person, between 30% and 50% (both inclusive) of our voting shares, and such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of our voting shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a mandatory takeover offer for all the remaining voting shares in accordance with the provisions of the Singapore Code on Take-overs and Mergers. While the primary objective of the Singapore Code on Take-overs and Mergers is fair and equal treatment of all shareholders in a take-over or merger situation, its provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of our company. These legal requirements may impede or delay a takeover of our company by a third party, and thereby have a material adverse effect on the value of our shares.

On January 30, 2020, the Securities Industry Council of Singapore waived the application of the Singapore Code on Take-overs and Mergers to us, subject to certain conditions. Pursuant to the waiver, for as long as we are not listed on a securities exchange in Singapore, and except in the case of a tender offer (within the meaning of U.S. securities laws) where the Tier 1 Exemption is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer regulations promulgated under the Exchange Act, the Singapore Code on Take-overs and Mergers shall not apply to us. In connection with receipt of the waiver, the SunPower Board submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon Solar shares as a result of the spin-off that a waiver of the provisions of the Singapore Code on Take-overs and Mergers is obtained.

Our directors have general authority to allot and issue new shares on terms and conditions and with any preferences, rights or restrictions as may be determined by the Maxeon Solar Board in its sole discretion.

Under Singapore law, we may only allot and issue new shares with the prior approval of our shareholders in a general meeting. Subject to the general authority to allot and issue new shares provided by our shareholders, the provisions of the Singapore Companies Act and our Constitution, the Maxeon Solar Board may allot and issue new shares on terms and conditions and with the rights (including preferential voting rights) and restrictions as they may think fit to impose. Any additional issuances of new shares by our directors could adversely impact the market price of our shares.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our shares.

Based upon, among other things, the current and anticipated valuation of our assets and the composition of our income and assets, we do not believe we would be classified as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. However, the application of the PFIC rules is subject to uncertainty in several respects. In addition, a separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Accordingly, we cannot assure you that we will not be a PFIC for our current, or any future, taxable year. A non-U.S. corporation will be a PFIC for any taxable year if either (i) at least 75.0% of its gross income for such year is passive income or (ii) at least 50.0% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. For this purpose, we will be treated as owning our proportionate share of the businesses and earning our proportionate share of the income of any other

business in which we own, directly or indirectly, at least 25.0% (by value) of the stock. Because the value of our assets for purposes of the PFIC test will generally be determined in part by reference to the market price of our shares, fluctuations in the market price of the shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. As a result, dispositions of operating companies could increase the risk that we become a PFIC. If we are a PFIC for any taxable year during which a U.S. Holder holds a share, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. For further information on such U.S. tax implications, see “Item 10.E. Taxation—Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company.”

ITEM 4. INFORMATION ON THE COMPANY

4.A. HISTORY AND DEVELOPMENT OF THE COMPANY

General Corporate Information

We are incorporated under the laws of Singapore in accordance with the Singapore Companies Act. We are currently registered with ACRA under "Maxeon Solar Technologies, Pte. Ltd." We were formed by SunPower in connection with our separation from SunPower, for an unlimited duration, effective as of the date of our incorporation with ACRA on October 11, 2019. Following the separation and prior to the distribution, we will convert to a public company under the Singapore Companies Act and will change our name to "Maxeon Solar Technologies, Ltd." and amend our Constitution to a public company constitution.

We are domiciled in Singapore and our registered office is currently located at 8 Marina Boulevard #05-02, Marina Bay Financial Centre, 018981, Singapore, which also currently serves as our principal executive offices, and our telephone number is +65 6338 1888.

General Development of Business

We were incorporated under the laws of Singapore on October 11, 2019, to facilitate a proposed investment by TZS into the international portion of SunPower's SunPower Technologies business unit (discussed in greater detail in Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between Us and TZS and/or Total in Connection with TZS Investment—Investment Agreement).

In the fourth quarter of 2018, SunPower reorganized its segment reporting to an upstream and downstream structure in connection with its efforts to improve operational focus and transparency, drive overhead accountability into segment operating results, and increase strategic agility across the value chain. Previously operating under three end-customer segments composed of its residential segment, commercial segment, and power plant segment, the new segmentation allowed SunPower to focus on its upstream business's core strengths in manufacturing and technology and its downstream business's core strength in offering complete solutions in residential and commercial markets.

Under the new segmentation, the SunPower Energy Services business unit referred to sales of solar energy solutions in the North America region previously included in the legacy residential and commercial segments, including direct sales of turn-key engineering, procurement and construction services, sales to SunPower's third-party dealer network, sales of energy under power purchase agreements, storage solutions, cash sales and long-term leases directly to end customers, sales to resellers, and sales of global operations and maintenance services. The SunPower Technologies business unit referred to SunPower's technology development, worldwide solar panel manufacturing operations, equipment supply to resellers, commercial and residential end-customers outside of North America, and worldwide power plant project development and project sales.

On November 11, 2019, SunPower announced plans to separate into two independent, publicly traded companies to leverage value chain specialization between its leading panel technology and manufacturing operations and its downstream solar systems and storage and energy services in North America. In connection with the spin-off, SunPower will contribute certain non-U.S. operations and assets of its SunPower Technologies business unit to us and then spin us off through a pro rata distribution to SunPower's stockholders of 100% of SunPower's interest in us. Upon consummation of the Transactions, the Maxeon Business will consist of SunPower's technology and manufacturing upstream operations and international sales capabilities comprising substantially all of the international portion of its SunPower Technologies business unit.

Principal Capital Expenditures

Our capital expenditures amounted to $41.9 million and $39.6 million during the fiscal years ended December 29, 2019 and December 30, 2018, respectively, primarily consisting of expenditures related to the

expansion of our solar cell manufacturing capacity. Our manufacturing and assembly activities have required and will continue to require significant investment of capital and substantial engineering expenditures. In addition, as of December 29, 2019, we expect total capital investments of approximately $75.0 million in fiscal year 2020, $160.0 million in fiscal year 2021 and $150.0 million in fiscal year 2022, focused on increasing our manufacturing capacity for our highest efficiency Maxeon 5 and 6 product platform and our new Performance Line (through an investment in our Huansheng joint venture), improving our current and next generation solar cell manufacturing technology, and advancing other projects. Our capital investments, which are subject to obtaining necessary board and regulatory approvals and lender consents, are expected to be funded with cash from operations or other available sources of liquidity.

Significant Acquisitions, Dispositions and other Events

In the past three years, SunPower has entered into certain acquisition and joint venture transactions that constitute a part of the Maxeon Business. In fiscal year 2017, SunPower entered into our Huansheng joint venture with TZS to manufacture Performance Line products in China. For more information, see “Item 4. Information on the Company—4.B. Business Overview – Our Products.”

In addition, we have made significant investments in certain of our manufacturing facilities to enhance our production capabilities. For more information, see “—Item 4.D. Property, Plants and Equipment—Major Facilities.”

The Spin-Off

Background

Since its initial public offering in 2005, SunPower has followed an integrated value-chain strategy. This structure served SunPower well during the period of early industry development where the capabilities of downstream system integrators were relatively immature. Since that time, the industry has grown by over 50 times in terms of annual shipment volume and the technology has become widely deployed with significant expertise across the entire value chain. Solar power is now the largest component of incremental global power generation capacity, and we expect that the scale of annual deployment will continue to grow in the future. We believe that, in this more mature phase of industry development, success will be driven by value chain specialization, technology innovation, and economies of scale. This logic, as well as reasons underlying the TZS investment, led to the decision to decouple the North American, largely downstream component of SunPower’s business from the global manufacturing and sales component.

Reasons for the Spin-Off

We and SunPower believe that the spin-off will provide a number of benefits to our business, to the business of SunPower and to SunPower shareholders. While the planned separation was principally structured to facilitate the anticipated investment by TZS into the Maxeon Business, we also believe that, as two distinct publicly traded companies, SunPower and Maxeon Solar will be better positioned to capitalize on significant growth opportunities and focus resources on their respective businesses and strategic priorities. SunPower and the SunPower Board considered a wide variety of factors in their initial evaluation of the proposed spin-off, including the following anticipated benefits:

- *Facilitation of TZS’s proposed investment into the Maxeon Business*. The separation of the Maxeon Business from SunPower permits TZS to make a significant equity investment into the Maxeon Business through the purchase of new Maxeon Solar shares following the spin-off.
- *Accelerated scale-up of Maxeon 5 and 6 capacity due to the TZS investment, and resultant improved profitability*. We expect that the investment will finance continued scale-up of Maxeon 5 and 6 capacity and development of Maxeon 7 technology, which we believe will allow us to increase our distributed generation market share and accelerate profit growth.

- *Access to low-cost supply chain and equipment*. We believe that the spin-off and the investment will give us greater access to the low-cost Asia-centric supply chain and equipment, which would in turn help drive manufacturing efficiencies and reduce costs.
- *Differentiated product platform and increased focus on established global channels*. We believe the separation of Maxeon Solar and SunPower will permit each company to not only leverage their existing, well-established market channels but also to target distinct markets for their respective products and services through new differentiated sales and distribution channels.
- *Strategic supply relationships with SunPower and TZS*. We will market our solar panels under the SunPower brand into the global solar power marketplace and into the United States and Canada through the Supply Agreement to be entered into with SunPower at the time of the spin-off. We also expect to leverage TZS' valuable connections in Asia's supply chain and distribution channels.
- *Enhanced strategic and management focus*. As an independent, publicly traded company, we believe we can more effectively focus on our objectives and advance the strategic needs of our company.
- *More efficient allocation of capital due to increased business focus and direct access to capital markets as a separate publicly traded company*. We expect that following the spin-off we will have opportunities to enhance our capital efficiency through direct access to the capital markets.
- *More direct alignment of incentives with performance objectives*. We believe that operating as a separate publicly traded company will allow us to better align the incentives of our management team and employees with those of our shareholders.

Neither we nor SunPower can assure you that, following the spin-off, any of the benefits described above or otherwise described in this Form 20-F will be realized to the extent or at the time anticipated or at all. See also "Item 3. Key Information—3.D. Risk Factors."

SunPower and the SunPower Board also considered a number of potentially negative factors in their initial evaluation of the potential spin-off, including the following:

- *Disruptions to the business as a result of the separation*. The actions required to separate the respective businesses of SunPower and Maxeon Solar could disrupt the operation of the Maxeon Business;
- *Increased significance of certain costs and liabilities*. Certain costs and liabilities that were otherwise less significant to SunPower as a whole will be more significant for us as a standalone company;
- *One-time costs of the spin-off or ongoing costs after the spin-off*. We will incur costs in connection with the transition to being a standalone public company that may include accounting, tax, treasury, legal, and other professional services costs, recruiting and relocation costs associated with hiring key senior management personnel new to us, and costs to separate information systems;
- *Potential inability to realize anticipated benefits of the spin-off*. We may not achieve the anticipated benefits of the spin-off for a variety of reasons, including, among others: (i) the spin-off will require significant amounts of management's time and effort, which may divert management's attention from operating and growing the Maxeon Business; (ii) following the spin-off, we may be more susceptible to market fluctuations and other adverse events than if it were still a part of SunPower; (iii) the costs associated with us being a standalone public company; (iv) following the separation, the Maxeon Business will be less diversified than the SunPower business prior to the separation; and (v) the other actions required to separate the respective businesses of us and SunPower could disrupt our operations; and
- *Our covenants and obligations pursuant to the Separation and Distribution Agreement, the Tax Matters Agreement and other agreements entered into in connection with the separation*. We are and will be subject to numerous covenants and obligations arising out of agreements entered into in connection with the separation. For example, under the Tax Matters Agreement, we will agree to

covenants and indemnification obligations designed to preserve the tax-free nature of the spin-off distribution to SunPower shareholders. These covenants and indemnification obligations may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that might be beneficial.

SunPower and the SunPower Board believe that the anticipated benefits of the spin-off outweigh these factors. However, the completion of the spin-off remains subject to the satisfaction, or waiver by the SunPower Board, of a number of conditions. See "—Conditions to the Spin-Off" below for additional detail.

When and How You Will Receive Maxeon Solar Shares

SunPower will distribute to holders of SunPower shares, as a pro rata dividend, one Maxeon Solar share for every eight SunPower shares such shareholders hold or have acquired and do not sell or otherwise dispose of prior to the close of business on , 2020, the record date for the spin-off. The actual number of our shares that will be distributed will depend on the total number of issued SunPower shares (excluding treasury shares held by SunPower and its subsidiaries) as of the record date.

An application will be made to list our shares on the NASDAQ under the ticker symbol "MAXN." Subject to official notice of issuance, our shares will trade and settle under ISIN code SGXZ25336314 and CUSIP code Y58473102.

Computershare Trust Company, N.A., as the SunPower share registrar and transfer agent will arrange for the distribution of our shares to holders of SunPower shares. For purposes of and following the spin-off, Computershare will act as our U.S. share registrar and transfer agent.

If SunPower shareholders own SunPower shares as of 5:00 p.m., New York City time, on the record date, the SunPower shares that SunPower shareholders are entitled to receive in the distribution will be issued electronically on the distribution date to SunPower shareholders in direct registration form or to SunPower shareholders' bank or brokerage firm on SunPower shareholders' behalf. If a SunPower shareholder is a registered holder of SunPower shares, Computershare will mail the SunPower shareholder a direct registration account statement that reflects the SunPower shareholder's Maxeon Solar shares. If SunPower shareholders hold their SunPower shares through a bank or brokerage firm, their bank or brokerage firm will credit their account for their Maxeon Solar shares. Direct registration form refers to a method of recording securities ownership when no physical certificates are issued, as is the case in the distribution. If SunPower shareholders sell SunPower shares in the "regular-way" market (as opposed to the "ex-distribution" market) up to and including the distribution date, SunPower shareholders will be selling their right to receive Maxeon Solar shares in the distribution. Investors acquiring or selling SunPower shares on or around the record date in over-the-counter or other transactions not effected on the NASDAQ should ensure such transactions take into account the treatment of our shares to be distributed in respect of such SunPower shares in the spin-off. Please contact your bank or broker for further information if you intend to engage in any such transaction.

We will become a standalone public company, independent of SunPower, on , 2020, the "Ex Date" for the spin-off, and our shares will commence trading on a standalone basis on the NASDAQ at market open on the Ex Date (9:30 a.m., New York City, time on the NASDAQ).

Depending on your bank or broker and whether you hold SunPower shares, it is expected that your Maxeon Solar shares will be credited to your applicable securities account either on or shortly after the Ex Date and that you will be able to commence trading your Maxeon Solar shares on the NASDAQ on , 2020, the Ex Date. See also "—Listing and Trading of Maxeon Solar Shares" below.

In the event there are any changes to the record date or the Ex Date, or new material information relating to the distribution of our shares becomes available, SunPower will publish any such changes or updates in a press

release that will also be furnished with the SEC by SunPower on a Form 8-K and by us on a Form 6-K. In addition, SunPower will give at least 10 calendar days' notice of any changes to the record date to the NASDAQ in accordance with NASDAQ's requirements.

We are not asking SunPower shareholders to take any further action in connection with the spin-off, except as described below with respect to SunPower physical share certificate holders. We are not asking you for a proxy and we request that you not send us a proxy. We are also not asking you to make any payment or surrender or exchange any of your SunPower shares for Maxeon Solar shares. However, please see "—If You Hold SunPower Shares—Holders of SunPower Physical Share Certificates" below. The number of outstanding SunPower shares will not change as a result of the spin-off.

Holders of SunPower shares held in book-entry form with a bank or broker. Most SunPower shareholders hold their SunPower shares through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the shares in "street name" and ownership would be recorded on the bank's or brokerage firm's books. If a SunPower shareholder holds their SunPower shares through a bank or brokerage firm, their bank or brokerage firm will credit their account for the Maxeon Solar shares that they are entitled to receive in the distribution. If SunPower shareholders have any questions concerning the mechanics of having shares held in "street name," they should contact their bank or brokerage firm.

Holders of SunPower physical share certificates. Following the consummation of the spin-off, all registered SunPower shareholders holding physical share certificates who have previously provided a valid mailing address to SunPower will have received a notice with instructions on how to receive Maxeon Solar shares in the spin-off. If you have not received such a notice from SunPower by , 2020, please contact SunPower Share Registry by telephone at 1-877-373-6374 (in the United States) or 1-781-575-2879 (outside the United States) or by online inquiry at https://www-us.computershare.com/investor/Contact. For more information, see "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—When and How You Will Receive Maxeon Solar Shares," as well as "—Where can I get more information?" below.

See also "Summary—The Spin-Off—Questions and Answers about the Spin-Off—Where can I get more information?"

If SunPower has not received full and correct details of your securities account by , 2020 in accordance with the instructions in the notice provided to you, you will not receive Maxeon Solar shares in the spin-off. In lieu of receiving Maxeon Solar shares, Computershare, as the share registrar and transfer agent, will sell the Maxeon Solar shares you are entitled to receive in the spin-off and SunPower will pay the aggregate net cash proceeds of such sale to you on or around , 2020, if you have previously provided valid payment details to SunPower.

Trading Between the Record Date and the Distribution Date

We expect that, beginning on or shortly before the record date and continuing up to and including the distribution date, there will be two markets in SunPower shares on NASDAQ: a "regular-way" market and an "ex-distribution" market. SunPower shares that trade in the "regular-way" market will trade with an entitlement to Maxeon Solar shares distributed pursuant to the distribution. SunPower shares that trade in the "ex-distribution" market will trade without an entitlement to Maxeon Solar shares distributed pursuant to the distribution. Therefore, if SunPower shareholders sell SunPower shares in the "regular-way" market up to and including the distribution date, they will be selling their right to receive shares of our shares in the distribution.

If SunPower shareholders own SunPower shares at 5:00 p.m., New York City time, on the record date and sell those shares on the "ex-distribution" market up to and including the distribution date, they will receive Maxeon Solar shares that they are entitled to receive pursuant to their ownership as of the record date of the SunPower shares.

Furthermore, we expect that, beginning approximately two trading days before the record date and continuing up to but not including the Ex Date, there will be a "when-issued" market in our shares. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for our shares that will be distributed to SunPower shareholders on the distribution date. If SunPower shareholders owned SunPower shares at 5:00 p.m., New York City time, on the record date, they would be entitled to Maxeon Solar shares distributed pursuant to the distribution. SunPower shareholders may trade this entitlement to our shares, without SunPower shares they own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to Maxeon Solar shares is expected to end, and "regular-way" trading is expected to begin. If "when-issued" trading occurs, the listing for Maxeon Solar shares is expected to be under the trading symbol "MAXNV." If the distribution does not occur, all "when-issued" trading will be null and void.

Number of Maxeon Solar Shares You Will Receive

You will receive one Maxeon Solar share for every eight SunPower shares you hold or have acquired and do not sell or otherwise dispose of prior to the close of business on the record date.

Treatment of Fractional Shares

Computershare, the SunPower share registrar and transfer agent, will aggregate all fractional shares and sell them on behalf of those holders who otherwise would be entitled to receive a fractional share. Computershare will send to each registered SunPower shareholder entitled to a fractional share a cash payment in lieu of that shareholder's fractional share on or around , 2020. If you hold your SunPower shares through the facilities of the DTC or otherwise through a bank, broker or other nominee, your custodian, bank, broker or nominee will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales of fractional shares. No interest will be paid on any cash you receive in lieu of a fractional share. The cash you receive in lieu of a fractional share will generally be taxable to you for U.S. federal income tax purposes and may, in certain circumstances, be taxable to you for Singapore income tax purposes. See "Item 10. Additional Information—10.E. Taxation—Material U.S. Federal Income Tax Considerations" and "—Material Singapore Tax Considerations" below for more information.

We anticipate that Computershare will make these payments on or around , 2020. Computershare will, in its sole discretion, without any influence by SunPower or Maxeon Solar, determine when, how and at what price to sell the whole shares. Computershare is not an affiliate of either SunPower or Maxeon Solar.

Results of the Spin-Off

After the spin-off, we will be a standalone publicly traded company. Immediately following the spin-off and prior to the TZS investment, we expect to have approximately 21,254,718 Maxeon Solar shares outstanding based on the number of issued SunPower shares (excluding treasury shares held by SunPower and its subsidiaries) as of May 24, 2020. The actual number of our shares that SunPower will distribute in the spin-off will depend on the actual number of issued SunPower shares, excluding treasury shares held by SunPower and its subsidiaries, on the record date. The spin-off will not affect the number of outstanding SunPower shares or any rights of holders of any outstanding SunPower shares, although we expect the trading prices of SunPower shares in the "regular-way" market at market open on the trading day following the distribution date will be lower than the trading prices of SunPower shares in the "regular-way" market at market close on the distribution date, because the trading price of SunPower shares will no longer reflect the value of the Maxeon Business. In addition, your SunPower shares sold in the "ex-distribution" market (as opposed to the "regular-way" market) will trade without the entitlement to receive the distribution of our shares in the spin-off and will reflect an ownership interest solely in SunPower, but may not yet accurately reflect the value of such SunPower shares excluding the Maxeon Business.

On November 8, 2019 we entered into a Separation and Distribution Agreement with SunPower related to the separation and distribution, and we intend to enter into several other agreements with SunPower prior to

completion of the spin-off to effect the separation and provide a framework for our relationship with SunPower after the spin-off. These agreements will govern the relationship between us and SunPower up to and after completion of the spin-off and allocate between us and SunPower various assets, liabilities, rights and obligations, including employee benefits, intellectual property, supply of designated products and tax-related assets and liabilities. We describe these arrangements in greater detail under "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us."

Listing and Trading of Maxeon Solar Shares

As of the date of this Form 20-F, we are a wholly owned subsidiary of SunPower. Accordingly, no public market for our shares currently exists. We intend to list our shares on the NASDAQ under the symbol "MAXN." We will use a specialist firm to make a market in our shares on the NASDAQ to facilitate sufficient liquidity and maintain an orderly market in our shares throughout normal NASDAQ trading hours. We anticipate that trading in our shares will begin on a "when-issued" basis approximately two trading days before the the record date and will continue up to and through the distribution date and that "regular-way" trading in our shares will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell our shares up to and through the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for our shares before, on or after the distribution date.

Computershare Trust Company, N.A. will act as our U.S. share registrar and transfer agent.

We currently expect that our issued shares will be held in the following forms:

- *Shares held via DTC*. Holders may hold their entitlements to our shares in book-entry form via the DTC system through custody accounts with custodian banks or brokers that are direct participants in the DTC system. Such shares will be held in the name of DTC's nominee, Cede & Co., through Computershare. Such holders' entitlements to our shares will be recorded in their custodian banks' or brokers' records. Such holders may effect the transfer of their entitlements to our shares through their custodian banks or brokers and will receive written confirmations of any purchase or sales of our shares and any periodic account statements from such custodian banks or brokers.
- *Directly registered shares held through Computershare.* Holders may directly hold their ownership interests in us in the form of book-entry shares that will be registered in the names of such holders directly on the books of Computershare. Holders will receive periodic account statements from Computershare evidencing their holding of our shares. Through Computershare, holders may effect transfers of our shares to others, including to banks or brokers that are participants in the DTC Direct Registration System.

Neither we nor SunPower can assure you as to the trading price of SunPower shares or of Maxeon Solar shares after the spin-off, or as to whether the combined trading prices of our shares and the SunPower shares after the spin-off will be less than, equal to or greater than the trading prices of SunPower shares prior to the spin-off. See "Item 3. Key Information—3.D. Risk Factors—Risks Related to the Spin-Off and Ownership of our Shares" for more detail.

Subject to any restrictions on the registration of shareholdings in our share register that may be included in our Constitution, the Maxeon Solar shares distributed to SunPower shareholders will be freely transferable, except for shares received by individuals who are our affiliates. Individuals who may be considered our affiliates after the spin-off include individuals who control, are controlled by or are under common control with us, as those terms generally are interpreted for federal securities law purposes. These individuals may include some or all of our directors and executive officers. Individuals who are our affiliates will be permitted to sell their Maxeon Solar shares only pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), or an exemption from the registration requirements of the Securities Act, such as those afforded by Section 4(a)(1) of the Securities Act or Rule 144 thereunder.

Conditions to the Spin-Off

We expect that the spin-off will be effective on the Ex Date, provided that the following conditions shall have been satisfied or waived by SunPower:

- the consummation in all material respects of the Internal Transactions;
- all corporate and other action necessary in order to execute, deliver and perform the Separation and Distribution Agreement and to consummate the transactions contemplated thereby by each of SunPower and Maxeon Solar having been obtained;
- the receipt by SunPower of the written opinion of Jones Day regarding the qualification of the distribution as a transaction that should be generally tax-free to SunPower shareholders for U.S. federal income tax purposes under Section 355 of the Code;
- the SEC declaring this Form 20-F effective under the Exchange Act, and no stop order suspending the effectiveness of this Form 20-F being in effect and no proceedings for that purpose being pending before or threatened by the SEC;
- copies of this Form 20-F having been mailed to record holders of SunPower shares as of the record date for the spin-off;
- the actions necessary or appropriate under U.S. federal, U.S. state or other securities laws or blue sky laws (and comparable laws under foreign jurisdictions) having been taken or made;
- the receipt of all necessary government approvals required to consummate the spin-off having been obtained;
- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing consummation of the spin-off being in effect;
- our shares to be distributed to SunPower shareholders having been accepted for listing on the NASDAQ (subject to official notice of issuance); and
- all of the conditions precedent to completion of the investment contemplated by the Investment Agreement (other than certain conditions of TZS) having been satisfied or waived.

We are not aware of any material federal, foreign or state regulatory requirements with which we must comply, other than SEC rules and regulations, or any material approvals that we must obtain, other than the approval for listing of our shares and the SEC's declaration of the effectiveness of this Form 20-F, in connection with the spin-off.

Reasons for Furnishing this Form 20-F

We are furnishing this Form 20-F solely to provide information to SunPower shareholders who will receive our shares in the spin-off. You should not construe this Form 20-F as an inducement or encouragement to buy, hold or sell any of our securities or any securities of SunPower. We believe that the information contained in this Form 20-F is accurate as of the date set forth on the cover. Changes to the information contained in this Form 20-F may occur after that date, and neither we nor SunPower undertakes any obligation to update the information except in the normal course of our respective public disclosure obligations and practices.

4.B. BUSINESS OVERVIEW

Overview

We are a global energy company, technology innovator, and manufacturer and marketer of premium solar panels headquartered in Singapore. We were incorporated on October 11, 2019 as a private Singapore company limited by shares for the purpose of facilitating a proposed investment by TZS into the international portion of SunPower's Technologies business unit. We will own and operate solar cell and panel manufacturing facilities located in France, Malaysia, Mexico, and the Philippines, including the technology and manufacturing upstream operations and international sales capability, comprising substantially all of the international portion of SunPower's SunPower Technologies business unit outside of the 50 United States, the District of Columbia, and Canada.

The TZS Investment

On November 11, 2019, SunPower announced plans to separate into two independent, publicly traded companies—Maxeon Solar, and SunPower, a distributed generation energy services company operating principally in the United States and Canada. Pursuant to the Separation and Distribution Agreement and the Investment Agreement (and subject to the terms and conditions thereof), SunPower will contribute certain non-U.S. operations and assets of its SunPower Technologies business unit to us, then spin us off through a pro rata distribution to its stockholders of 100% of SunPower's interest in us. Immediately after the spin-off, TZS will purchase for $298.0 million shares that will, in the aggregate, represent approximately 28.848% of our outstanding shares after giving effect to the transactions. The spin-off is intended to be tax-free to SunPower shareholders for Singapore income and withholding tax purposes and for U.S. federal income tax purposes.

Our Markets

Solar has become one of the fastest growing renewable energy sources over the last few decades. According to recent estimates from Wood MacKenzie, through effective investments and projects, the solar market has achieved more than 600 GW of global installed capacity as of 2019, representing an average compound annual growth rate of 40% since 2009, with significant acceleration in the most recent years.

As solar technology has developed, manufacturing costs have declined and performance has improved. Today, solar power, together with enhanced balance of system technology, has among the lowest LCOE of all major energy sources.

In the long term, this trend is expected to continue and even accelerate, according to Bloomberg New Energy Finance. By 2050, solar technology is expected to represent more than 40% of global electricity capacity, with a balanced distribution among key regions worldwide—a significant increase compared to its current penetration of approximately 5% of global capacity.

We believe the following factors have driven and will continue to drive demand in the global solar power industry, including demand for our products:

- solar generation costs have fallen to the point where solar power is one of the lowest cost electricity sources on a LCOE basis in certain regions;
- renewable energy is one of the most relevant topics and targets of government incentives and policies as a result of increased concerns regarding climate change;
- solar power is at the center of public discussion, which helps to grow public awareness of its advantages, such as peak energy generation, significantly smaller fuel and supply chain risk, sustainability from an environmental perspective, scalability and reliability;

- structural limitations for fossil fuel supply and issues around energy security increasing the long-term demand for alternative sources of energy;
- significant secular increase in electricity demand; and
- solar energy as a viable option to generate energy in developing countries, rural areas, and regions without indigenous fuel resources.

In connection with the spin-off, we will enter into the Supply Agreement with SunPower pursuant to which SunPower will purchase, and we will sell, certain designated products for use in residential and commercial solar applications in Canada and the United States (excluding Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands) (which we refer to as the "Domestic Territory"). The Supply Agreement will have a two-year term, starting on the distribution date. The parties must attempt to negotiate an extension or replacement of the Supply Agreement prior to the end of the initial term, but neither party is obligated to agree to any such extension or replacement. Under the Supply Agreement, SunPower will be required to purchase, and we will be required to supply, minimum volumes of products during each calendar quarter of the term. For 2020, the minimum volumes will be specifically enumerated for different types of products, and for each subsequent period, the minimum volumes will be established based on SunPower's forecasted requirements, but will need to meet a minimum threshold relative to the prior year's volume. The parties will be subject to reciprocal penalties for failing to purchase or supply, as applicable, the minimum product volumes. The Supply Agreement will also include reciprocal exclusivity provisions that, subject to certain exceptions, will prohibit SunPower from purchasing the products (or competing products) from anyone other than us, and will prohibit us from selling such products to anyone other than SunPower. The exclusivity provisions only relate to products for the Domestic Territory. The exclusivity provisions will last for two years for products sold into the residential market and through SunPower's dealer channel in the Domestic Territory, and one year for products sold directly by SunPower to end users for use in other applications, including multiple-user, community solar products. The exclusivity provisions will not apply to off-grid applications, certain portable or mobile small-scale applications (including applications where solar cells are integrated into consumer products), or power plant, front-of-the-meter applications where the electricity generated is sold to a utility or other reseller.

For 2020, the purchase price for each product will be fixed based on its power output (in watts), subject to certain adjustments. For subsequent periods, the purchase price will be set based on a formula and fixed for the covered period, subject to certain adjustments. We are obligated to provide the products with customary warranties for quality and performance, conforming to all specifications and legal requirements.

Our Business

Following the spin-off, we will be one of the world's leading global manufacturers and marketers of premium solar technology. We have developed and maintained this leadership position through decades of technological innovation and investment, in addition to the development of sales and distribution channels supplying customers in more than 100 countries on six continents. We will own and operate solar cell and panel manufacturing facilities located in France, Malaysia, Mexico and the Philippines, as well as participate in a joint venture for panel manufacturing in China with TZS. During the fiscal year ended December 29, 2019, 23.9% of our sales (by megawatt) were to North America, 28.1% to EMEA, 42.8% to Asia Pacific and 5.2% to other markets. During the fiscal year ended December 30, 2018, 34.6% of our sales (by megawatt) were to North America, 35.8% to EMEA, 28.6% to Asia Pacific and 1.1% to other markets.

Our primary products are the Maxeon Line of IBC solar cells and panels, and the Performance Line (formerly, "P-Series") of shingled solar cells and panels. We believe the Maxeon Line of solar panels are the highest-efficiency solar panels on the market with an aesthetically pleasing design, and the Performance Line of solar panels offer a high-value, cost-effective solution for large-scale applications compared to conventional solar panels. The Maxeon Line, which includes Maxeon 2 (marketed as E-Series in the United States), Maxeon 3

(marketed as X-Series in the United States) and Maxeon 5 (marketed as A-Series in the United States) solar panels, is primarily targeted at residential and small-scale commercial customers across the globe. The Performance Line was initially targeted at the large-scale commercial and utility-scale power plant markets, but has proven to be attractive to our customers in the distributed generation markets as well. During the fiscal year ended December 29, 2019, approximately 48.3% of our sales were products in our Maxeon Line and the other 51.7% were products in our Performance Line, with 63.4% of our total volume sold for distributed generation applications and approximately 36.6% for power plant applications. During the fiscal year ended December 30, 2018, approximately 73.8% of our sales were products in our Maxeon Line and the other 26.2% were products in our Performance Line, with 67.0% of our total volume sold for distributed generation applications and approximately 33.0% for power plant applications.

Our proprietary technology platforms, including the Maxeon Line and Performance Line, target distinct market segments, serving both the distributed generation and power plant markets. This ability to address the full market spectrum allows us to benefit from a range of diverse industry drivers and retain a balanced and diversified customer base.

We believe that our Maxeon Line of IBC technology stands apart from the competition in key metrics that our customers value, including efficiency, energy yield, reliability and aesthetics. We believe the combination of these characteristics enables the delivery of an unparalleled product and value proposition to our customers. Our Maxeon 3 and 5 panels deliver 55% more energy in any given amount of roof space over the first 25 years, as compared to conventional panels.

Our Performance Line technology is designed to deliver higher performance than using conventional panels. This is possible due to several patented features and improvements we have employed in our product. One of our main differentiators from the competition is our shingled design, which delivers approximately 5% higher efficiency than mono-PERC panels due to its reduced electrical resistance and more light absorption given the absence of reflective copper lines and less white space. In addition, our Performance Line's robust shingled cells and advanced encapsulant are highly resistant to thermal stresses, humidity, and potential-induced degradation.

Our Strengths

We believe the following strengths of our business distinguish us from our competitors, enhance our leadership position in our industry and position us to capitalize on the expected continued growth in our market:

- *Leading provider of premium solar technology*. Our established leadership position in solar technology is grounded in over 35 years of experience. Over that time, our solar technology has been awarded over 800 patents. We have also made substantial investments in research and development, having invested more than $462.0 million since 2007 which is more than any other crystalline panel manufacturer. Together, these factors have allowed us to create truly differentiated products which have maintained a 25% relative efficiency advantage over the industry average solar panel efficiency since 2012.
- *Established unique sales, marketing, and distribution channels in each of our key markets*. We have built relationships with dealer/installers, distributors, and white label partners globally to ensure reliable distribution channels for our products. As examples, we have over 370 sales and installation partners in the Asia Pacific region, over 750 in the Europe, Middle East and Africa region, and 25 in Latin America. In North America, we have a two-year renewable exclusive contract with SunPower for our products to be used in its distributed generation business.
- *Well-positioned to capture growth across solar markets*. We believe solar growth will be driven by strong expansion in both distributed generation and power plant applications. Over the past three years we grew our total MW deployed by over 99% in EU distributed generation markets, and by a multiple of three in Australia. We also believe that our technology, with superior efficiency and lower degradation rates, provides significant advantages to customers in the distributed generation market.

- *Unique cutting edge innovative technology*. Our Maxeon 3 and 5 panels have the highest cell efficiency among panels currently in commercial production. We also believe that our current technology stands apart from the competition on every meaningful performance metric, including efficiency, energy yield, reliability and aesthetics. Additionally, our Performance Line shingled cell technology delivers 13% more power compared to conventional panels, allowing us to achieve a diverse sales base across both distributed generation and the utility power plant markets.
- *Strategic partnerships with top tier companies worldwide*. Our strategic relationship with SunPower provides valuable access to a leading solar distribution business in North America and a market-leading brand platform for international market growth. We have a historical supply relationship with Total S.A., who is active in the global downstream solar market, and who will be one of our major shareholders after the spin-off. We also seek to have strategic partnerships across the business chain, as exemplified by our relationship with TZS, which provides valuable connections in Asia's supply chain and distribution channels, as well as research and development collaboration between companies pushing the technological frontier.
- *Unmatched investment in research and development, translating into next-generation leading products*. Our superior technology has been key to our leadership position. Through efficient, disciplined and business-oriented investments, we were able to develop patent-protected technology which we expect to leverage in our next-generation products. Our Maxeon 7 panels are expected to achieve an even higher efficiency while allowing for reduced costs given its dramatically simplified process (up to 30% fewer process steps). We expect this next-generation solar panel to achieve superior performance at commodity costs, unlocking mass market adoption and commercialization through multiple pathways.
- *Recent revenue and earnings growth has driven improved financial returns*. We have significantly increased our distributed generation sales over the last several years. This top line increase has been coupled with accelerated margin expansion through innovations in both our Maxeon and Performance Line technologies. Our larger operating scale and simpler manufacturing processes have driven this margin expansion.
- *Experienced management team*. We have a strong and experienced management team. Our Chief Executive Officer, Jeff Waters, has served as Chief Executive Officer of SunPower's SunPower Technologies business unit since January 2019 and has 15 years of experience as an executive in the technology industry. Our Chief Financial Officer, Joanne Solomon, is a seasoned executive with more than 30 years of experience and joined the company in January 2020 and most recently served since 2017 as Chief Financial Officer for Katerra Inc. Our Chief Legal Officer, Lindsey Wiedmann, has been with SunPower for a decade and will lead our global legal and sustainability teams. Our Chief Operations Officer, Markus Sickmoeller, is responsible for manufacturing, quality, supply chain, cell technology deployment and environment, health and safety globally after joining SunPower in late 2015 to start the Maxeon 3 cell factory in the Philippines. Peter Aschenbrenner, our Chief Strategy Officer, has more than 40 years of solar industry experience.

Our Strategy

We are strategically positioned to deploy advanced solar technologies at scale. We draw on 35 years of technology innovation around high-performance solar products and well-established global channels as we separate from SunPower into an independent publicly traded company. Upon consummation of the spin-off, our primary focus will include:

- *Increasing the production capacity of Maxeon 5 and 6.* The brownfield build-out of Maxeon 5 and 6, leveraging existing facilities and operational expertise combined with increased scale and simplified process, is expected to deliver 50% reductions in capital intensity and factory space requirements as well as reduced cell conversion cost (as compared to the Maxeon 2 technology that it is replacing).
- *Maxeon 7 future opportunity*. Maxeon 7, currently in development, has the potential to achieve further process simplification and reduction in capital expenditures and cell conversion cost.

- *Enhancing our access to the low-cost Asia-centric supply chain and expanding our global channels to market*. We will have access to our strategic partner TZS's knowledge of upstream supply markets and distribution channels in Asia. In addition, we will be able to leverage access to TZS's silicon wafers to enhance our Performance Line and Maxeon Line technologies.
- *Optimizing our strategic supply relationships with SunPower and Huansheng*. We believe that the maintenance and optimization of our current strategic supply relationships are crucial to support our current global leadership position along with maintaining our exposure to key and growing markets worldwide.
- *Leveraging our established distributed generation channels to drive continued growth*. As a leading distributed generation player, we have a robust sales and marketing platform to access key markets around the world. The expansion of this network is a vital element for future growth.
- *Enhancing our financial performance through our superior technology, manufacturing processes and strategy*. We believe we have the ability to translate our superior technology into strong financial returns as we couple our premium average selling prices with enhanced manufacturing processes and a scalable low-cost footprint, resulting in rapidly expanding margins and cash generation.
- *Increasing our capital efficiency and establishing direct access to capital markets*. As part of the planned separation, we seek to enhance our capital efficiency, as well as improve strategic alignment with our stakeholders through direct access to capital markets. Initial funding of full technological transformation to Maxeon 5 and 6 is key to growing our market leading position.

With our corporate headquarters in Singapore and existing manufacturing facilities in Malaysia, the Philippines, and China (through our joint venture Huansheng), we believe our significant Asian presence will help strengthen relationships and sourcing arrangements across our supply chain as well as provide us access to the large Chinese solar market. Following the investment from TZS, we expect to increase our Performance Line capacity in the joint venture to eight gigawatts and convert our Fab 3 manufacturing facility from Maxeon 2 to Maxeon 5 and 6 manufacturing capacity. As of December 29, 2019, we had over 1.5 gigawatts of manufacturing capacity and contractual access to over 1.3 gigawatts of Performance Series supply from our Huansheng joint venture.

Our Industry

The solar power industry manufactures and deploys solar panels and systems across a range of end-use applications. With estimated current annual shipment volumes in excess of 110 gigawatts, solar power comprises the largest fraction of newly installed global electric power generation equipment. The two primary application segments are distributed generation ("DG"), mainly for residential and commercial rooftops systems, and UPP for large ground mounted power generation systems. During 2019, total industry shipment volume mix was approximately 46% DG and 54% UPP according to Wood MacKenzie. The solar panel manufacturing industry is fragmented, with no player holding a market share of over 10% of 2019 shipments according to PV Infolink. Nine of the top ten (by volume) manufacturers are based in China.

The market for electric generation products is heavily influenced by federal, state and local government laws, regulations and policies concerning the electric utility industry globally, as well as policies promulgated by electric utilities. The market for electric generation equipment is also influenced by trade and local content laws, regulations and policies. In addition, on-grid applications depend on access to the grid, which is also regulated by government entities.

Our Products

Solar panels are made using solar cells electrically connected together and encapsulated in a weatherproof panel. Solar cells are semiconductor devices that convert sunlight into direct current electricity. Our solar cells

are designed without highly reflective metal contact grids or current collection ribbons on the front of the solar cell, which provides additional efficiency and allows our solar cells to be assembled into solar panels with a more uniform appearance. Our Maxeon 3 (marketed as X-Series in the United States) solar panels, made with our Maxeon 3 solar cells, have demonstrated panel efficiencies exceeding 22% in high-volume production. In fiscal year 2016, one of our standard production modules set a world record for aperture area efficiency as tested by the National Renewable Energy Laboratory. We believe our Maxeon 3 solar panels are the highest efficiency solar panels available for the mass market, incorporating Gen 3 solar cells with average efficiency of over 25%. Because our solar cells are more efficient relative to conventional solar cells, when our solar cells are assembled into panels, the assembly cost per watt is less because more power is incorporated into a given size panel. Higher solar panel efficiency allows installers to mount a solar power system with more power within a given roof or site area and can reduce per watt installation costs. Our suite of solar panels provides customers a variety of features to fit their needs, including the SunPower Signature black design which allows the panels to blend seamlessly into the rooftop. Both our Maxeon 3 and Maxeon 2 (marketed as E-Series in the United States) panels have proven performance with low levels of degradation, as validated by third-party performance tests. Our latest technology, Maxeon 5 and 6 (marketed as A-Series in the United States), offers solar cell efficiency of up to 25%, roughly in line with our Maxeon 3 technology. When fully ramped, we expect Maxeon 5 and 6 panels to be significantly less expensive to manufacture than Maxeon 2 and Maxeon 3 technology. We plan to transform our legacy Maxeon 2 production capacity in Fab 3 to Maxeon 5 and 6. We expect to retrofit Fab 3 with approximately 500 megawatts of Maxeon 5 and 6 capacity.

Since fiscal year 2016, we launched a line of solar panels under the P-Series and Performance product names, which is now referred to as our Performance Line of solar panels. These products utilize a proprietary manufacturing process to assemble conventional silicon solar cells into panels with increased efficiency and reliability compared with conventional panels. Performance Line solar panels are produced by Huansheng, a Yixing, China based joint venture in which we will own a 20% equity stake at the time of distribution. Huansheng currently has a capacity to produce approximately 1.9 gigawatts per year of Performance Line solar panels and has indicated that it plans to expand capacity to approximately 8 gigawatts per year by 2021. We have the right, but not the obligation, to take up to 33% of Huansheng's capacity for sale directly into global DG markets outside of China and power plant markets in the United States and Mexico regions, and a further 33% for sale into global power plant markets with the exception of China, the United States and Mexico through a marketing joint venture in which we own an 80% stake.

Currently our sales volume is approximately evenly divided between our Maxeon and Performance Lines, with the former products being sold primarily into the residential and small commercial markets, and the latter products being sold primarily into the large-scale commercial and power plant markets.

We generally provide a 25-year standard warranty for the solar panels that we manufacture for defects in materials and workmanship, as well as warrant a certain minimum level of power output and degradation rate. The warranty provides that we will repair or replace any defective solar panels during the warranty period. Warranties of 25 years from solar panel suppliers are standard in the solar industry.

Principal Markets

During the fiscal year ended December 29, 2019, 23.9% of our MW sold were to North America, 28.1% to EMEA, 42.8% to Asia Pacific and 5.2% to other markets. During the fiscal year ended December 30, 2018, 34.6% of our MW sold were to North America, 35.8% to EMEA, 28.6% to Asia Pacific and 1.1% to other markets. Accordingly, more than 75% of MW sold during the fiscal year ended December 29, 2019 was made into markets outside of North America. While we expect that North America will continue to represent a key market for us, we anticipate continuing to sell the majority of our products outside of North America in the future.

The Maxeon Line, which includes our Maxeon 2, Maxeon 3 and Maxeon 5 and 6 solar panels, is primarily targeted at residential and commercial customers across the globe. The Performance Line was initially targeted at

the large-scale commercial and utilityscale power plant markets, but has proven to be attractive to our customers in the distributed generation markets as well. During the fiscal year ended December 29, 2019, approximately 48.3% of our sales were products in our Maxeon Line and the other 51.7% were products in our Performance Line, with 63.4% of our total volume sold for distributed generation applications and approximately 36.6% for power plant applications. During the fiscal year ended December 30, 2018, approximately 73.8% of our sales were products in our Maxeon Line and the other 26.2% were products in our Performance Line, with 67.0% of our total volume sold for distributed generation applications and approximately 33.0% for power plant applications.

Research and Development

We engage in extensive research and development efforts to improve solar cell efficiency and solar panel performance through the enhancement of our existing products, development of new techniques, and by reductions in manufacturing cost and complexity. Our research and development group works closely with our manufacturing facilities, equipment suppliers and customers to improve solar cell design and to lower solar cell, solar panel and system product manufacturing and assembly costs. In addition, we have dedicated employees who work closely with our current and potential suppliers of crystalline silicon, a key raw material used in the manufacture of solar cells, to develop specifications that meet our standards and ensure high quality while at the same time controlling costs. We anticipate collaborating with SunPower in the future to develop new solar cell technologies through the Collaboration Agreement, with early stage research conducted in SunPower's Silicon Valley research and development labs and commercialization-focused development and deployment innovation conducted in our fabs and international research facilities. We are also planning to create a research and development laboratory in Singapore that we expect will enable even greater access to the rich solar talent base in Singapore, the rest of Asia and Australia.

Manufacturing and Supplies

Manufacturing

We currently operate solar cell manufacturing facilities in the Philippines and Malaysia and solar cell assembly facilities in Mexico and France. We regularly evaluate our manufacturing capabilities in support of anticipated demand for our products and from time to time may determine to upgrade and expand, relocate or to shut down one or more facilities as opportunities to streamline our manufacturing operations become apparent.

As part of the solar panel manufacturing process, polysilicon is melted and grown into crystalline ingots and sliced into wafers by business partners specializing in those processes. The wafers are processed into solar cells in our manufacturing facilities located in the Philippines and Malaysia.

During fiscal year 2017, we completed the construction of the Maxeon 3 solar cell manufacturing facility that we own and operate in the Philippines which has an annual capacity of approximately 500 megawatts. The Maxeon 2 solar cell manufacturing facility we own and operate in Malaysia has a total rated annual capacity of over 700 megawatts and is currently being upgraded to over 500 megawatts of Maxeon 5 capacity.

We use our solar cells to manufacture Maxeon 5 and 6, Maxeon 3 and Maxeon 2 solar panels at our solar panel assembly facilities located primarily in Mexico and France. Our solar panel assembly facilities currently have a combined total rated annual capacity that matches our cell manufacturing capacity.

Supplies

We source the materials and components for our solar cells and panels both internally and from third-party suppliers based on quality, performance, and cost considerations. We typically assemble proprietary components, while we purchase generally available components from third-party suppliers. In a few cases, proprietary

components are sole sourced. While we secure supply of these specific components, we may face production disruptions if the supplier is not fulfilling its obligations, and adoption of new tariffs between different countries may negatively affect the cost of some materials.

We purchase polysilicon, ingots, wafers and solar cells from various manufacturers on both a contracted and a purchase order basis. We work with our suppliers and partners along all steps of the value chain to reduce costs by improving manufacturing technologies and expanding economies of scale. Crystalline silicon is the principal commercial material for solar cells and is used in several forms, including single-crystalline, or monocrystalline silicon, multi-crystalline, or polycrystalline silicon, ribbon and sheet silicon, and thin-layer silicon. Our solar cell value chain starts with high purity silicon called polysilicon. Polysilicon is created by refining quartz or sand.

Polysilicon is a critical raw material used in the production of our photovoltaic products. To maintain competitive manufacturing operations, we depend on our suppliers to timely deliver polysilicon in sufficient quantities and of appropriate quality. SunPower has historically purchased polysilicon that it resold to third-party ingot and wafer manufacturers who delivered wafers to SunPower that SunPower then used in the manufacturing of solar cells. We intend to continue this practice following the spin-off.

Due to a shortage of polysilicon experienced in the industry prior to 2008, SunPower entered into long-term fixed supply agreements for polysilicon with two suppliers for periods of up to 10 years to match its estimated customer demand forecasts and growth strategy, and these agreements were thereafter extended from time to time. The long-term fixed supply agreements with one of the suppliers expired in the first quarter of fiscal 2019 and the agreements with the second supplier expire in the second quarter of fiscal 2021. SunPower is not permitted to cancel or exit these agreements prior to their expiration. The agreements are structured as “take or pay” agreements that specify future quantities of polysilicon required to be purchased and the pricing of polysilicon required to be supplied. The agreements also provide for penalties or forfeiture of advanced deposits in the event SunPower terminates the arrangement. Additionally, under the agreements, SunPower is required to make prepayments to the suppliers over the term of the agreements.

As a result of an increase in industry-wide polysilicon manufacturing capacity and a decrease in global demand for polysilicon, polysilicon prices decreased significantly over the past decade. SunPower negotiated with the polysilicon suppliers to reduce the purchase price for a substantial amount of polysilicon supplied pursuant to those agreements. Nevertheless, the purchase prices under SunPower’s remaining long-term fixed supply agreements continue to be higher than polysilicon prices currently available in the market.

In connection with the spin-off, we will enter into an agreement with SunPower pursuant to which we will effectively receive SunPower’s rights under the continuing long-term fixed supply agreements (including SunPower’s deposits and advanced payments thereunder) and, in return, we will agree to perform all of SunPower’s existing and future obligations under the agreements (including all take-or-pay obligations). See “Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us—Back-to-Back Agreement.”

The agreements with the remaining supplier provide for fixed or inflation-adjusted pricing and have prevented SunPower, and are expected to prevent us, from benefiting from decreased polysilicon costs and have caused SunPower, and are expected to cause us, to purchase polysilicon at unfavorable pricing and payment terms relative to prices available in the market and payment terms available to our competitors. In addition, in the event that we have inventory in excess of short-term requirements of polysilicon in our manufacturing operations, in order to reduce inventory or improve working capital, we may, as SunPower has periodically done, elect to sell such inventory in the marketplace at prices below our purchase price, thereby incurring a loss.

As of December 29, 2019, future purchase obligations under the long-term fixed supply agreements totaled $348.6 million and advance payment obligations to suppliers totaled $121.4 million, of which $107.4 million is classified as Advances to suppliers, current portion in our Combined Balance Sheets. See “Note 8. Commitments and Contingencies” for outstanding future purchase commitments.

During the fiscal year ended December 29, 2019, we recognized charges of $56.5 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under our long-term fixed supply agreements. In addition, we estimate that we paid $88.7 million above the market price of polysilicon consumed in our manufacturing process, which is the difference between our contractual cost under the long-term fixed supply agreements and the price of polysilicon available in the market as derived from publicly available information, multiplied by the volume of polysilicon we have consumed. As of December 29, 2019, based on the then price of polysilicon available in the market, we estimated the remaining contractual commitments under SunPower's long-term fixed supply agreements for polysilicon that is above market to be approximately $258.2 million, which we expect to incur from 2020 through 2021. A portion of this loss may be deferred beyond 2021 as we may negotiate with the supplier to extend the timing of delivery and acceptance of polysilicon pursuant to the underlying contractual purchase obligations. A hypothetical 10% increase or decrease in polysilicon prices would cause our estimated total loss to decrease or increase, respectively, by approximately $9.0 million.

For more information about risks related to our supply chain and risks related to the Maxeon Business generally, see "Item 3. Key Information—3.D. Risk Factors."

Key Corporate Functions

In connection with the spin-off, we will create standalone corporate and support functions for our business and operations. Key corporate functions are expected to include tax, treasury, accounting, internal audit, investor relations, human resources, communications, legal and corporate governance, information technology, facilities, and administrative support services.

For a period of one year beginning on the date of the distribution (with an option to extend for up to an additional 180 days by mutual written agreement of us and SunPower), SunPower will continue to provide and/or make available various administrative services and assets to us pursuant to the Transition Services Agreement. Services to be provided by SunPower to us will include certain services related to finance, accounting, business technology, human resources information systems, human resources, facilities, document management and record retention, relationship and strategy management and module operations, technical and quality support. In consideration for such services provided by SunPower, we will pay a fee to SunPower for the services provided in an amount intended to allow SunPower to recover all of its direct and indirect costs incurred in providing those services, plus a standard markup, and subject to a 25% increase following an extension of the initial term (unless otherwise mutually agreed to by us and SunPower).

Intellectual Property

We rely on a combination of patent, copyright, trade secret, trademark, and contractual protections to establish and protect our proprietary rights. We typically require our business partners to enter into confidentiality and non-disclosure agreements before we disclose any sensitive aspects of our solar cells, technology, or business plans. We typically enter into proprietary information agreements with employees, consultants, vendors, customers, and joint venture partners.

We own multiple patents and patent applications that cover aspects of the technology in the solar cells and panels that we currently manufacture and market. We continue to file for and receive new patent rights on a regular basis. The lifetime of a utility patent typically extends for 20 years from the date of filing with the relevant government authority. We assess appropriate opportunities for patent protection of those aspects of our technology, designs, methodologies, and processes that we believe provide significant competitive advantages to us, and for licensing opportunities of new technologies relevant to our business. As of December 29, 2019, we licensed from SunPower 314 patents and 137 pending patent applications in the United States. We held 581 patents and 456 pending patent applications in jurisdictions other than the United States. While patents are an important element of our intellectual property strategy, our business as a whole is not dependent on any one

patent or any single pending patent application. We additionally rely on trade secret rights to protect our proprietary information and know-how. We employ proprietary processes and customized equipment in our manufacturing facilities. We therefore require employees and consultants to enter into confidentiality agreements to protect them.

When appropriate, we enforce our intellectual property rights against other parties. For more information about risks related to our intellectual property, see “Item 3. Key Information—3.D. Risk Factors.”

Competition

The market for solar electric power technologies is competitive and continually evolving, resulting in price reductions in the market and reduced margins which may continue and could lead to loss of market share. Our solar power products and systems compete with many competitors in the solar power market, including, but not limited to: Hanwha QCELLS Corporation, JA Solar Holdings Co., Trina Solar Ltd., Jinko Solar, First Solar Inc., Canadian Solar Inc., Panasonic, LG Solar and LONGi Solar.

In addition, universities, research institutions, and other companies have brought to market alternative technologies, such as thin-film solar technology, which compete with our photovoltaic technology in certain applications. Furthermore, the solar power market in general competes with other energy providers such as electricity produced from conventional fossil fuels supplied by utilities and other sources of renewable energy, including wind, hydro, biomass, solar thermal, and emerging distributed generation technologies such as micro-turbines, sterling engines and fuel cells.

In the large-scale on-grid solar power systems market, we face direct competition from a number of companies, including those that manufacture, distribute, or install solar power systems as well as construction companies that have expanded into the renewable sector. In addition, we will occasionally compete with distributed generation equipment suppliers.

We believe that the key competitive factors in the market for solar power systems include:

- total system price;
- levelized cost of energy evaluation;
- customer cost of energy evaluation;
- power efficiency and performance;
- aesthetic appearance of solar panels and systems;
- interface with standard mounting systems;
- strength of distribution relationships;
- commercial payment terms;
- established sales channels to customers;
- timeliness of new product introductions; and
- warranty protection, quality, and customer service.

We believe that we can compete favorably with respect to each of these elements, although we may be at a disadvantage in comparison to larger companies with broader product lines, greater technical service and support capabilities, and financial resources. See “Item 3. Key Information—3.D. Risk Factors” for more detail.

Government Regulation

Public Policy Considerations

Different public policy mechanisms have been used by governments to accelerate the adoption and use of solar power. Examples of customer-focused financial mechanisms include capital cost rebates, performance-based incentives, feed-in tariffs, tax credits, renewable portfolio standards, net metering, and carbon regulations. Some of these government mandates and economic incentives are scheduled to be reduced or to expire, or could be eliminated altogether. Capital cost rebates provide funds to customers based on the cost and size of a customer's solar power system. Performance-based incentives provide funding to a customer based on the energy produced by their solar power system. Feed-in tariffs pay customers for solar power system generation based on energy produced, at a rate generally guaranteed for a period of time. Tax credits reduce a customer's taxes at the time the taxes are due. Renewable portfolio standards mandate that a certain percentage of electricity delivered to customers come from eligible renewable energy resources. Net metering allows customers to deliver to the electric grid any excess electricity produced by their on-site solar power systems, and to be credited for that excess electricity at or near the full retail price of electricity. Carbon regulations, including cap-and-trade and carbon pricing programs, increase the cost of fossil fuels, which release climate-altering carbon dioxide and other greenhouse gas emissions during combustion.

In addition to the mechanisms described above, in Europe, the European Commission has mandated that its member states adopt integrated national climate and energy plans aimed at increasing their renewable energy targets to be achieved by 2030, which could benefit the deployment of solar.

Environmental Regulations

We use, generate, and discharge toxic, volatile, or otherwise hazardous chemicals and wastes in our research and development, manufacturing, and construction activities. We are subject to a variety of foreign, U.S. federal and state, and local governmental laws and regulations related to the purchase, storage, use, and disposal of hazardous materials. We believe that we have all environmental permits necessary to conduct our business and expect to obtain all necessary environmental permits for future activities. We believe that we have properly handled our hazardous materials and wastes and have appropriately remediated any contamination at any of our premises. For more information about risks related to environmental regulations, see "Item 3. Key Information—3.D. Risk Factors."

Legal Proceedings

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business. Further, certain legal claims and litigation involving the Maxeon Business will be retained by SunPower after the spin-off. While we believe that the ultimate outcome of such matters will not have a material adverse effect on us, their outcomes are not determinable and negative outcomes may adversely affect our financial position, liquidity, or results of operations.

In addition, in connection with the separation, we entered into a Separation and Distribution Agreement pursuant to which SunPower has agreed to indemnify us for certain litigation claims in which we or one of our subsidiaries is named as a defendant or party.

4.C. ORGANIZATIONAL STRUCTURE

Organizational Structure

We are currently a wholly owned subsidiary of SunPower. Following the spin-off, we will be a separate, standalone company independent of SunPower. SunPower will not retain any ownership interest in us. See Item 4. “Information on the Company—4.B. Business Overview” for additional information.

Significant Subsidiaries

Below is a list of subsidiaries that will have total assets exceeding 10% of our combined assets, or sales and operating revenues in excess of 10% of our combined sales, immediately following the spin-off:

Name	Country of Incorporation	% of Equity Interest
SunPower Philippines Manufacturing Ltd.	Cayman Islands	100
SunPower Malaysia Manufacturing Sdn. Bhd.	Malaysia	100
SunPower Systems Sarl	Switzerland	100
SunPower Energy Solutions France SAS	France	100
SunPower Systems International Limited	Hong Kong	80

4.D. PROPERTY, PLANTS AND EQUIPMENT

Our corporate headquarters is located in Singapore. The principal office for our international operations, which is also our registered office, is located in Singapore.

We believe that our current manufacturing and production facilities have adequate capacity for our medium-term needs. To ensure that we have sufficient manufacturing capacity to meet future production needs, we regularly review the capacity and utilization of our manufacturing facilities. The Malaysia Atomic Energy Licensing Board, Malaysian Investment Development Authority, Malaysia Department of Environment, Mexico Secretaria de Proteccion al Ambiente, Philippines Department of Environment and Natural Resources, Laguna Lake Development Authority, Philippines Economic Zone Authority, Philippines Department of Health/Food and Drugs Authority and other regulatory agencies regulate the approval for use of manufacturing facilities for photovoltaic products and equipment, and compliance with these regulations may require a substantial amount of validation time prior to start-up and approval. Accordingly, it is important to our business that we ensure we have sufficient manufacturing capacity to meet our future production needs.

Major Facilities

The following table sets forth our most significant facilities as of December 29, 2019:

Location	Size of Site (in square feet)	Held	Lease Term	Major Activity
France	27,000	Leased	2023	Global support offices
France	42,000	Owned	NA	Solar module assembly facility
France	36,000	Owned	NA	Solar module assembly facility
Malaysia	885,000	Owned	NA	Solar cell manufacturing facility
Mexico	191,000	Leased	2026	Solar module assembly facility
Mexico	320,000	Leased	2021	Solar module assembly facility
Philippines	641,000	Owned	NA	Former solar cell manufacturing facility
Philippines	132,000	Owned	NA	Former solar module assembly facility
Philippines	280,000	Leased	2024	Solar cell manufacturing support and storage facility
Philippines	390,000	Owned	NA	Solar cell manufacturing facility
Philippines	65,000	Owned	NA	Global support offices

In addition to these facilities, we are also in the process of procuring space for our principal executive offices in Singapore.

We believe that we have satisfactory title to our plants and facilities in accordance with standards generally accepted in our industry. We believe that all of our current production facilities are in good operating condition. As of December 29, 2019, the combined net book value of our property, plant and equipment was $281.2 million.

Environmental Matters

We integrate core values of environmental protection into our business strategy to protect the environment, to add value to the business, manage risk and enhance our reputation.

We are subject to laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. As a result, we have established internal policies and standards that aid our operations in systematically identifying relevant hazards, assessing and mitigating risks and communicating risk information. These internal policies and standards are in place to ensure our operations comply with relevant environmental, health and safety laws and regulations, and that periodic audits of our operations are conducted. The potential risks we identify are integrated into our business planning, including investments in reducing safety and health risks to our associates and reducing our impact on the environment. We have also dedicated resources to monitor legislative and regulatory developments and emerging issues to anticipate future requirements and undertake policy advocacy when strategically relevant.

4.E. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

5.A. OPERATING RESULTS

This operating and financial review should be read together with the section captioned “Selected Financial Data,” “Item 4. Information on the Company—4.B. Business Overview” and the combined financial statements of the Maxeon Business and the related notes to those statements included elsewhere in this Form 20-F. Among other things, those financial statements include more detailed information regarding the basis of preparation for the following information. The combined financial statements of the Maxeon Business have been prepared in accordance with GAAP. This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under “Risk Factors” and elsewhere in this Form 20-F, our actual results may differ materially from those anticipated in these forward-looking statements. Please see “Special Note About Forward-Looking Statements” in this Form 20-F.

Proposed Separation From SunPower

On November 11, 2019, SunPower announced its intention to separate into two independent publicly traded companies: one comprising its solar panel cell and solar manufacturing operations and supply to resellers and commercial and residential end customers outside of the Domestic Territory, which will conduct business as Maxeon Solar Technologies, Ltd., a company incorporated under the laws of Singapore and currently a wholly owned subsidiary of SunPower, and one comprising its solar panel manufacturing operations, equipment supply, and sales of energy solutions and services in the Domestic Territory, including direct sales of turn-key engineering, procurement and construction services, sales to its third-party dealer network, sales of energy under power purchase agreements, storage and services solutions, cash sales and long-term leases directly to end customers, which will continue as SunPower Corporation.

SunPower entered into the Investment Agreement with us, TZS and, for the limited purposes set forth therein, Total. In addition, SunPower entered into the Separation and Distribution Agreement with us.

Pursuant to the Separation and Distribution Agreement and the Investment Agreement: (1) SunPower will contribute certain non-U.S. operations and assets of its SunPower Technologies business unit to us (referred to as the “separation”), (2) SunPower will then spin us off through a pro rata distribution to its shareholders of 100% of its interest in us (referred to as the “distribution” and together with the separation, the “spin-off”), and (3) immediately after the distribution, TZS will purchase from us (referred to as the “investment,” and together with the spin-off, the “Transactions”) shares that will, in the aggregate, represent approximately 28.848% of our outstanding shares after giving effect to the Transactions for $298 million. The spin-off is intended to be tax-free to SunPower shareholders for Singapore income and withholding tax purposes and for U.S. federal income tax purposes.

In connection with the Transactions and concurrently with the distribution, we and SunPower will also enter into the Ancillary Agreements, that will govern relationships between us and SunPower following the distribution. In addition, at the closing of the Investment, TZS, Total and Maxeon Solar will enter into a Shareholders Agreement (the “Shareholders Agreement”).

The process of completing the proposed separation has been and is expected to continue to be time-consuming and involves significant costs and expenses. We expect to incur separation costs of up to $25.0 million during fiscal year 2020. As of December 29, 2019, we also expect capital investments of approximately $235.0 million to ramp up production of our next generation technology through fiscal year 2021.

Additionally, following the spin-off, we must maintain an independent corporate overhead. Due to the loss of economies of scale and the necessity of establishing independent functions for each company, the separation from SunPower into two independent companies is expected to result in total dis-synergies of approximately $10.0 million annually, which costs are primarily associated with corporate functions such as finance, legal, information technology and human resources.

Due to the scale of SunPower's businesses and its global footprint (among other factors), the separation process is extremely complex and requires effort and attention from employees throughout SunPower's organization. For example, employees of the business that will become part of Maxeon Solar must be transitioned to new payroll and other benefit platforms. Outside the organization, SunPower must notify and establish separation readiness among customers, business partners and suppliers so that business relationships all over the world may continue seamlessly following the completion of the separation. Administratively, the separation involves the establishment of new customer and supplier accounts, new bank accounts, legal reorganizations and contractual assignments in various jurisdictions throughout the world, and the creation and maintenance of separation management functions, to plan and execute the separation process in a timely fashion. For more information on the risks involved in the separation process, see "Risk Factors—Risks Related to the Separation."

Basis of Presentation

Standalone financial statements have not been historically prepared for our business. Our combined financial statements have been derived from the consolidated financial statements and accounting records of SunPower as if it operated on its own during the period presented and were prepared in accordance with GAAP. The primary basis for presenting consolidated financial statements is when one entity has a controlling financial interest in another entity. As there is no controlling financial interest present between or among the entities that comprise our business, we are preparing our financial statements on a combined basis. SunPower's investment in our business is shown in lieu of equity attributable to Maxeon Solar as there is no consolidated entity for which SunPower holds an equity interest in. SunPower's investment represents its interest in the recorded net assets of Maxeon Solar.

Our Combined Statements of Operations include all sales and costs directly attributable to Maxeon Solar, including costs for facilities, functions and services used by Maxeon Solar. The Combined Statements of Operations also reflect allocations of general corporate expenses from SunPower including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue or headcount as relevant measures. Management of Maxeon Solar and SunPower consider these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, Maxeon Solar. The allocations may not, however, reflect the expense we would have incurred as a standalone company for the period presented. Actual costs that may have been incurred if we had been a standalone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

For further information on the basis of presentation of the combined financial statements see Note 1 to our combined financial statements included elsewhere in this Form 20-F.

Items You Should Consider When Evaluating Our Combined Financial Statements and Assessing Our Future Prospects

Our results of operations, financial position and cash flows could differ from those that would have resulted if we operated autonomously or as an entity independent of SunPower in the periods for which combined financial statements are included in this Form 20-F, and such information may not be indicative of our future operating results or financial performance. As a result, you should consider the following facts when evaluating our historical results of operations and assessing our future prospects:

- For the period covered by our combined financial statements, our business was operated within legal entities which hosted portions of other SunPower businesses. For example, certain assets, liabilities and results of operations of subsidiaries related to worldwide power plant project development, project sales will remain with SunPower and are not included in these combined financial statements as they are not core to our historical and future business.

- Income taxes attributable to our business have been determined using the separate return approach, under which current and deferred income taxes are calculated as if a separate tax return had been prepared in each tax jurisdiction. In various tax jurisdictions, our and SunPower's businesses operated within the same legal entity and certain SunPower subsidiaries were part of SunPower's tax group. This required an assumption that the subsidiaries and operations of Maxeon Solar in those tax jurisdictions operated on a standalone basis and constitute separate taxable entities. Actual outcomes and results could differ from these separate tax return estimates, including those estimates and assumptions related to realization of tax benefits within SunPower's tax groups.
- Our combined financial statements also include an allocation from SunPower for certain management and support functions that we would incur as a publicly traded company that we have not previously incurred. These costs include, but are not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. The allocation of these additional expenses, which are included in the combined financial statements, may not be indicative of the actual expense that would have been incurred had we operated as an independent, publicly traded company for the period presented.
- In December 2015, SunPower issued $425.0 million in principal amount of 4.00% debentures due 2023 (the "4.00% debentures due 2023"), the proceeds of which were used to finance the solar cell manufacturing facility in the Philippines which relates to our historical business. As the 4.00% debentures due 2023 are legal obligations of SunPower and will not be transferred to us, they are not reflected in our Combined Balance Sheets in the periods presented. However, the $17.0 million of interest expense and the $2.5 million of debt issuance cost amortization associated with the 4.00% debentures due 2023 are reflected in our Combined Statements of Operations to reflect our historical cost of doing business. This cost may not be indicative of the actual expense that would have been incurred had we operated as an independent, publicly traded company for the period presented nor future periods.
- We expect to incur one-time costs after the completion of the spin-off relating to the transfer of information technology systems from SunPower to us.
- As part of SunPower, we historically benefited from discounted pricing with certain suppliers as a result of the buying power of SunPower. As a separate entity, we may not obtain the same level of supplier discounts historically received.
- Prior to the spin-off, as part of the separation, a Maxeon Solar subsidiary intends to issue a promissory note for a principal amount of $100.0 million to SunPower in exchange for certain intellectual property necessary for the operation of the Maxeon Business. The promissory note is to be repaid to SunPower by the Maxeon Solar subsidiary in connection with the spin-off with a combination of cash on hand and funds received in connection with the spin-off. In addition, prior to the spin-off, we expect to enter into debt financing arrangements pursuant to which we will have a total available borrowing capacity of up to $325.0 million. Such indebtedness and the related interest expense associated with such debt is expected to be between $13.4 million and $19.0 million per year, and are not reflected in our combined financial statements. As of the close of the transaction, we expect to draw down a portion of the revolver and are not expected to have any borrowings outstanding under the term loans but this may change depending on our operating and capital expenditure requirements in the future.
- The preparation of financial statements requires management to make certain estimates and assumptions, either at the balance sheet date or during the period that affects the reported amounts of assets and liabilities as well as expenses. In particular, due to the fact that the presented combined financial statements have been carved out from SunPower financial statements, actual outcomes and results could differ from those estimates and assumptions as indicated in the critical accounting policies and estimates section of this Form 20-F. See "Note 1. Background and Basis of Presentation" to our combined financial statements included elsewhere in this Form 20-F and in the "Critical Accounting Policies and Significant Estimates" section within this Item 5.A.

Overview

We are in the business of solar panel cell and solar manufacturing operations and supply to resellers and commercial and residential end customers outside of the Domestic Territory, which will conduct business as Maxeon Solar Technologies, Ltd., a company incorporated under the laws of Singapore and currently a wholly owned subsidiary of SunPower. We sell our solar panels and balance of system components primarily to dealers, project developers, system integrators and distributors, and recognize revenue at a point in time when control of such products transfers to the customer, which generally occurs upon shipment or delivery depending on the terms of the contracts with the customer. There are no rights of return. Other than standard warranty obligations, there are no significant post-shipment obligations (including installation, training or customer acceptance clauses) with any of our customers that could have an impact on revenue recognition. Our revenue recognition policy is consistent across all geographic areas.

Effective January 1, 2018, SunPower adopted Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606), as amended* ("ASC 606"). See "Note 4. Revenue from Contracts with Customers" to our combined financial statements. Our combined financial statements have been derived from the consolidated financial statements and accounting records of SunPower.

During fiscal year 2019, we had sales of $426.5 million to SunPower representing the sale of solar modules to SunPower based on transfer prices determined based on management's assessment of market-based pricing terms.

Unit of Power

When referring to our facilities' manufacturing capacity, and total sales, the unit of electricity in watts for kilowatts ("KW"), megawatts ("MW"), and gigawatts ("GW") is direct current ("DC"), unless otherwise noted as alternating current ("AC").

Levelized Cost of Energy ("LCOE")

LCOE is an evaluation of the life-cycle energy cost and life-cycle energy production of an energy producing system. It allows alternative technologies to be compared across different scales of operation, investment or operating time periods. It captures capital costs and ongoing system-related costs, along with the amount of electricity produced, and converts them into a common metric. Key drivers for LCOE measures for photovoltaic products include panel efficiency, capacity factors, reliable system performance, and the life of the system.

Customer Cost of Energy ("CCOE")

Our customers are focused on reducing their overall cost of energy by intelligently integrating solar and other distributed generation sources, energy efficiency, energy management, and energy storage systems with their existing utility-provided energy. The CCOE measurement is an evaluation of a customer's overall cost of energy, taking into account the cost impact of each individual generation source (including the utility), energy storage systems, and energy management systems. The CCOE measurement includes capital costs and ongoing operating costs, along with the amount of electricity produced, stored, saved, or re-sold, and converts all of these variables into a common metric. The CCOE metric allows customers to compare different portfolios of generation sources, energy storage, and energy management, and to tailor their solution towards optimization.

Seasonal Trends and Economic Incentives

Our business is subject to industry-specific seasonal fluctuations including changes in weather patterns and economic incentives, among others. Sales have historically reflected these seasonal trends with the largest percentage of total revenues realized during the last two quarters of a fiscal year. The installation of solar power

components and related revenue may decline during cold and/or rainy winter months. In the United States, many customers make purchasing decisions towards the end of the year in order to take advantage of tax credits or for other budgetary reasons.

Trends and Uncertainties

Demand

We are in the process of addressing many challenges facing our business. Our business is subject to industry-specific seasonal fluctuations including changes in weather patterns and economic incentives, among others. Sales have historically reflected these seasonal trends with the largest percentage of total revenues realized during the last two quarters of a fiscal year. The installation of solar power components and related revenue may decline during cold and/or rainy winter months.

During fiscal year 2018 we faced market challenges, including competitive solar product pricing pressure including the impact of tariffs imposed pursuant to Section 201 and Section 301 of the Trade Act of 1974. On January 23, 2018, President Trump issued Proclamation 9693, which approved recommendations to provide relief to U.S. manufacturers and imposed safeguard tariffs on imported solar cells and modules, based on the investigations, findings, and recommendations of the International Trade Commission. The tariffs went into effect on February 7, 2018. While solar cells and modules based on IBC technology, like our Maxeon 3, Maxeon 2 and related products, were granted exclusion from these safeguard tariffs on September 19, 2018, our solar products based on other technologies continue to be subject to the safeguard tariffs. Additionally, the USTR initiated an investigation under Section 301 of the Trade Act of 1974 into the government of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. The USTR imposed additional import duties of up to 25% on certain Chinese products covered by the Section 301 remedy. These tariffs include certain solar power system components and finished products, including those purchased from our suppliers for use in our products and used in our business. Imposition of these tariffs—on top of anti-dumping and countervailing duties on Chinese solar cells and modules, imposed under the prior administration—has resulted and is likely to continue to result in a wide range of impacts to the U.S. solar industry, global manufacturing market and our business, including market volatility, price fluctuations, and demand reduction. Uncertainties associated with the Section 201 and Section 301 trade cases prompted us to adopt a restructuring plan and implement initiatives to reduce operating expenses and cost of revenue overhead and improve cash flow. During fiscal year 2018, we incurred total tariffs charges of approximately $42.5 million. During fiscal year 2019, we incurred total tariffs charges of approximately $4.6 million.

We continue to focus on investments that we expect will offer the best opportunities for growth including our industry-leading Maxeon 5 and 6 cell and panel technology.

Supply

We continue to focus on producing our new lower cost, high efficiency Performance Line of solar panels, which will enhance our ability to rapidly expand our global footprint with minimal capital cost.

We continue to see significant and increasing opportunities in technologies and capabilities adjacent to our core product offerings that can significantly reduce our customers' CCOE, including the integration of energy storage and energy management functionality into our systems, and have made investments to realize those opportunities, enabling our customers to make intelligent energy choices by addressing how they buy energy, how they use energy, and when they use it. We have added advanced module-level control electronics to our portfolio of technology designed to enable longer series strings and significant balance of system components cost reductions in large arrays. We currently offer solar panels that use microinverters designed to eliminate the need to mount or assemble additional components on the roof or the side of a building and enable optimization and monitoring at the solar panel level to ensure maximum energy production by the solar system.

We continue to improve our unique, differentiated solar cell and panel technology. We emphasize improvement of our solar cell efficiency and LCOE and CCOE performance through enhancement of our existing products, development of new products and reduction of manufacturing cost and complexity in conjunction with our overall cost-control strategies. We are now producing our solar cells with over 25% efficiency in the lab and have reached production panel efficiencies over 24%.

We previously reduced our overall solar cell manufacturing output in an ongoing effort to match profitable demand levels, with increasing bias toward our highest efficiency Maxeon 3 and Maxeon 5 and 6 products, which utilizes our latest solar cell technology, and our Performance Line of solar panels, which utilize conventional cell technology that we purchase from third parties in low-cost supply chain ecosystems such as China. SunPower previously closed our Fab 2 cell manufacturing facility and our panel assembly facility in the Philippines and are focusing on our latest generation, lower cost panel assembly facilities in Mexico. As part of this realignment, we reduced our back-contact panel assembly capacity and increased production of our new Performance Line of solar panels.

We are focused on reducing the cost of our solar panels, including working with our suppliers and partners along all steps of the value chain to reduce costs by improving manufacturing technologies and expanding economies of scale and reducing manufacturing cost and complexity in conjunction with our overall cost-control strategies. We believe that the global demand for solar panels is highly elastic and that our aggressive, but achievable, cost reduction roadmap will reduce installed costs for our customers and drive increased demand for our solar panels.

We also work with our suppliers and partners to ensure the reliability of our supply chain. We have contracted with some of our suppliers for multi-year supply agreements, under which we have annual minimum purchase obligations. For more information about our purchase commitments and obligations, see “Liquidity and Capital Resources—Contractual Obligations” and “Note 8. Commitments and Contingencies” to our combined financial statements.

We currently believe our supplier relationships and various short- and long-term contracts will afford us the volume of material and services required to meet our planned output; however, we face the risk that the pricing of our long-term supply contracts may exceed market value. For example, we purchase our polysilicon under fixed-price long-term supply agreements. When the purchases under these agreements significantly exceed market value they may result in inventory write-downs based on expected net realizable value. Additionally, existing arrangements from prior years have resulted in above current market pricing for purchasing polysilicon, resulting in inventory losses we have realized. For several years, we have elected to sell polysilicon inventory in excess of short-term needs to third parties at a loss, and may enter into further similar transactions in future periods.

For a further discussion of trends, uncertainties and other factors that could impact our operating results, see the section entitled “Risk Factors” included elsewhere in this Form 20F.

Impairment of Manufacturing Assets

In the second quarter of fiscal year 2018, SunPower announced its proposed plan to transition its corporate structure into upstream and downstream business units, and its long-term strategy to upgrade its IBC technology to A–Series (Maxeon 5). Accordingly, SunPower expected to upgrade the equipment associated with its manufacturing operations for the production of Maxeon 5 and 6 over the next several years. In connection with these planned changes that would impact the utilization of its manufacturing assets, continued pricing challenges in the industry, as well as the then ongoing uncertainties associated with the Section 201 trade case, SunPower determined indicators of impairment existed and therefore performed a recoverability test by estimating future undiscounted net cash flows expected to be generated from the use of these asset groups. Based on its fixed asset investment recoverability test performed, SunPower determined that its estimate of future undiscounted net cash

in-flows was insufficient to recover the carrying value of the upstream business unit's assets and consequently performed an impairment analysis by comparing the carrying value of the asset group to its estimated fair value.

Consistent with its accounting practices, in estimating the fair value of the long-lived assets, SunPower made estimates and judgments that it believes reasonable market participants would make. The impairment evaluation utilized a discounted cash flow analysis inclusive of assumptions for forecasted profit, operating expenses, capital expenditures, remaining useful life of its manufacturing assets, and a discount rate, as well as market and cost approach valuations performed by a third party valuation specialist, all of which require significant judgment by SunPower management. In accordance with this evaluation, SunPower recognized a non-cash impairment charge of $369.2 million during its fiscal quarter ended July 1, 2018. Out of SunPower's impairment charge, we recognized $367.9 million, of which $354.8 million, $12.8 million, and $0.3 million were allocated to "Impairment of manufacturing assets," "Research and development" and "Sales, general and administrative," respectively, in our Combined Statement of Operations for the year ended December 30, 2018. There were no significant impairment charges recorded in fiscal year 2019.

Critical Accounting Policies and Significant Estimates

Our significant accounting policies are set out in "Note 1. Background and Basis of Presentation" to our combined financial statements included elsewhere in this Form 20-F, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our audited combined carve-out financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and which could potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies.

Due to the COVID-19 pandemic, there has been uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require updates to our estimates and judgments or require us to revise the carrying value of our assets or liabilities as of the date of issuance of this Form 20-F. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

Basis of Presentation

Standalone financial statements have not been historically prepared for our business. Our combined financial statements have been derived from the consolidated financial statements and accounting records of SunPower as if we had operated on our own during the period presented and were prepared in accordance with GAAP. The primary basis for presenting consolidated financial statements is when one entity has a controlling financial interest in another entity. As there is no controlling financial interest present between or among the entities that comprise SunPower's Maxeon Business, we are preparing the financial statements of the Company on a combined basis. SunPower's investment in our business is shown in lieu of equity attributable to us as there is no consolidated entity in which SunPower holds an equity interest. SunPower's investment represents its interest in the recorded net assets of the Company. See "Note 10. Transactions with Parent and Net Parent Investment" to our combined financial statements.

Our Combined Statements of Operations include all sales and costs directly attributable to us, including costs for facilities, functions and services used by us. The Combined Statements of Operations also reflect allocations of general corporate expenses from SunPower including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. These allocations were made on a direct usage basis when identifiable,

with the remainder allocated on the basis of revenue or headcount as relevant measures. Management of Maxeon Solar and SunPower consider these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, us. The allocations may not, however, reflect the expense we would have incurred as a standalone company for the period presented. Actual costs that may have been incurred if we had been a standalone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

The following paragraphs describe the significant estimates and assumptions applied by management in the preparation of the combined financial statements.

The combined financial statements include the assets and liabilities of SunPower's subsidiaries that are attributable to our business, representing its solar cell and panel manufacturing operations and activities outside the Domestic Territory. These subsidiaries were previously included in SunPower's SunPower Technologies Segment ("SunPower Technologies"). While also included in SunPower Technologies, the assets, liabilities and results of operations of subsidiaries related to worldwide power plant project development, project sales, and operations associated with the Hillsboro, Oregon, solar cell manufacturing facility acquired from SolarWorld Americas in 2018 (the "Oregon Operations") are excluded from our combined financial statements as they are not core to our historical and future business, and the Oregon Operations are retained by SunPower.

The assets and liabilities included in the Combined Balance Sheets were measured at the carrying amounts recorded in SunPower's consolidated financial statements. Assets and liabilities were included within our financial statements to the extent that we were the legal owner of the asset or the primary obligor of the liability. Assets and liabilities that form a component of SunPower's business may also be recognized in our financial statements to the extent that the assets and liabilities were directly attributable to our business or were exclusively used in or created by our historical operations.

The combined financial statements include third-party debt and the related interest expense when we were the legal obligor of the debt and when the borrowings were directly attributable to or incurred on behalf of us. SunPower's long-term debt has not been attributed to us for the period presented because SunPower's borrowings are not our legal obligation. In December 2015, SunPower issued $425.0 million in principal amount of its 4.00% senior convertible debentures due 2023 (the "4.00% debentures due 2023"), the proceeds of which were used to finance our solar cell manufacturing facility in the Philippines which relates to our historical business. As such, interest and other costs associated with the 4.00% debentures due 2023 are reflected in the Combined Statements of Operations. However, as the 4.00% debentures due 2023 are legal obligations of SunPower and will not be transferred to us, they are not reflected in our Combined Balance Sheets.

SunPower manages its global currency exposure by engaging in hedging transactions where management deems appropriate. This includes derivatives not designated as hedging instruments consisting of forward and option contracts used to hedge re-measurement of foreign currency denominated monetary assets and liabilities primarily for intercompany transactions, receivables from customers, and payables to third parties. Our combined financial statements include these hedging instruments to the extent the derivative instrument was designated as a hedging instrument of a hedged item (e.g., inventory) that is included in the combined financial statements. Any changes in fair value of the hedging instrument previously recognized in SunPower's accumulated other comprehensive income for cash flow hedges are also included.

SunPower maintains various stock-based compensation plans at a corporate level. Our employees participate in those programs and a portion of the cost of those plans is included in our combined financial statements. SunPower also has defined benefit plans at a subsidiary level for certain non-U.S. employees. Where a legal entity within us sponsors the plan, the related financial statement amounts are included in the combined financial statements following the single employer accounting model.

As described in "Note 13. Income Taxes," current and deferred income taxes and related tax expense have been determined based on our standalone results by applying Accounting Standards Codification No. 740, *Income Taxes* ("ASC 740"), to our operations in each country using the separate return approach, under which current and deferred income taxes are calculated as if a separate tax return had been prepared in each tax jurisdiction. In various tax jurisdictions, SunPower and SunPower's businesses operated within the same legal entity and certain SunPower's subsidiaries were part of SunPower's tax group. This required an assumption that the subsidiaries and operations of Maxeon Solar in those tax jurisdictions operated on a standalone basis and constitute separate taxable entities. Actual outcomes and results could differ from these separate tax return estimates, including those estimates and assumptions related to realization of tax benefits within SunPower's tax groups. Uncertain tax positions represent those tax positions to which we are the primary obligor and are evaluated and accounted for as uncertain tax positions pursuant to ASC 740. Determining which party is the primary obligor to the taxing authority is dependent on the specific facts and circumstances of their relationship to the taxing authority.

Management believes that all allocations have been performed on a reasonable basis and reflect the services received by us, the cost incurred on behalf of us and our assets and liabilities. Although, the combined financial statements reflect management's best estimate of all historical costs related to us, this may, however, not necessarily reflect what the results of operations, financial position, or cash flows would have been had we been a separate entity, nor our future results as it will exist upon completion of the proposed separation.

Revenue Recognition

We sell our solar panels and balance of system components primarily to dealers, project developers, system integrators and distributors, and recognize revenue at a point in time when control of such products transfers to the customer, which generally occurs upon shipment or delivery depending on the terms of the contracts with the customer. In determining the transaction price for revenue recognition, we evaluate whether the price is subject to refund or adjustment in determining the consideration to which we expect to be entitled. There are no rights of return; however, we may be required to pay consideration to the customer in certain instances of delayed delivery. We then allocate the transaction price to each distinct performance obligation based on their relative standalone selling price. Other than standard warranty obligations, there are no significant post-shipment obligations (including installation, training or customer acceptance clauses) with any of our customers that could have an impact on revenue recognition. Our revenue recognition policy is consistent across all geographic areas.

Allowance for Doubtful Accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. A considerable amount of judgment is required to assess the likelihood of the ultimate realization of accounts receivable. We make our estimates of the collectability of our accounts receivable by analyzing historical bad debts, specific customer creditworthiness and current economic trends. We will continue to actively monitor the impact of the COVID-19 pandemic on expected bad debts.

Inventories

Inventories are accounted for on a first-in-first-out basis and are valued at the lower of cost or net realizable value. We evaluate the realizability of our inventories, including purchase commitments under fixed-price long-term supply agreements, based on assumptions about expected demand and market conditions. Our assumption of expected demand is developed based on our analysis of bookings, sales backlog, sales pipeline, market forecast, and competitive intelligence. Our assumption of expected demand is compared to available inventory, production capacity, future polysilicon purchase commitments, available third-party inventory, and growth plans. Our factory production plans, which drive materials requirement planning, are established based on our assumptions of expected demand. We respond to reductions in expected demand by temporarily reducing manufacturing output and adjusting expected valuation assumptions as necessary. In addition, expected demand

by geography has changed historically due to changes in the availability and size of government mandates and economic incentives.

We evaluate whether losses should be accrued on long-term inventory purchase commitments that may arise from firm, non-cancellable, and unhedged commitments for the future purchase of inventory items. Such losses are measured in the same way as inventory losses.

Under the long-term fixed supply agreements for polysilicon between SunPower and certain suppliers, pricing for purchases of polysilicon and specified quantities are set forth in the agreements. As a result of the significant declines in the prices of polysilicon available in the market due to an increase in industry-wide polysilicon manufacturing capacity and a decrease in global demand for polysilicon, the purchase prices set forth in the agreements currently exceed prices available in the market.

We evaluate the terms of our long-term inventory purchase agreements with suppliers, including joint ventures, for the procurement of polysilicon, ingots, wafers, and solar cells and establish accruals for estimated losses on adverse purchase commitments as necessary, such as lower of cost or net realizable value adjustments, forfeiture of advanced deposits and liquidated damages. Obligations related to non-cancellable purchase orders for inventories match current and forecasted sales orders that will consume these ordered materials, and actual consumption of these ordered materials are compared to expected demand regularly. We anticipate total obligations related to long-term supply agreements for inventories will be realized because quantities were less than our expected demand for our solar power products for the foreseeable future and because the raw materials subject to these long-term supply agreements are not subject to spoilage or other factors that would deteriorate its usability; however, if raw materials inventory balances temporarily exceed near-term demand, we may elect to sell such inventory to third parties to optimize working capital needs. In addition, because the purchase prices required by our long-term polysilicon agreements are significantly higher than current prices for similar materials available in the market, if we are not able to profitably utilize this material in our operations or elect to sell near-term excess, we may incur additional losses. Other market conditions that could affect the realizable value of our inventories and are periodically evaluated by us include historical inventory turnover ratio, anticipated sales price, new product development schedules, the effect new products might have on the sale of existing products, product obsolescence, customer concentrations, the current price of polysilicon available in the market as compared to the price in our fixed-price arrangements, and product merchantability, among other factors. If, based on assumptions about expected demand and market conditions, we determine that the cost of inventories exceeds its net realizable value or inventory is excess or obsolete, or we enter into arrangements with third parties for the sale of raw materials that do not allow us to recover our current contractually committed price for such raw materials, we record a write-down or accrual equal to the difference between the cost of inventories and the estimated net realizable value, which may be material. If actual market conditions are more favorable, we may have higher gross margins when products that have been previously written down are sold in the normal course of business

Long-Lived Assets

We evaluate our long-lived assets, including property, plant and equipment, and other intangible assets with finite lives, for impairment whenever events or changes in circumstances arise. This evaluation includes consideration of technology obsolescence that may indicate that the carrying value of such assets may not be recoverable. The assessments require significant judgment in determining whether such events or changes have occurred. Factors considered important that could result in an impairment review include significant changes in the manner of use of a long-lived asset or in its physical condition, a significant adverse change in the business climate or economic trends that could affect the value of a long-lived asset, significant under-performance relative to expected historical or projected future operating results, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

For purposes of the impairment evaluation, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. We exercise judgment in assessing such groupings and levels. We then compare the estimated future undiscounted net cash flows expected to be generated by the asset group (including the eventual disposition of the asset group at residual value) to the asset group's carrying value to determine if the asset group is recoverable. If our estimate of future undiscounted net cash flows is insufficient to recover the carrying value of the asset group, we record an impairment loss in the amount by which the carrying value of the asset group exceeds the fair value. Fair value is generally measured based on (i) internally developed discounted cash flows for the asset group, (ii) third-party valuations, and (iii) quoted market prices, if available. If the fair value of an asset group is determined to be less than its carrying value, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs.

Product Warranties

We generally provide a 25-year standard warranty for the solar panels that we manufacture for defects in materials and workmanship. The warranty provides that we will repair or replace any defective solar panels during the warranty period. Warranties of 25 years from solar panel suppliers are standard in the solar industry.

The warranty excludes system output shortfalls attributable to force majeure events, customer curtailment, irregular weather, and other similar factors. In the event that the system output falls below the warrantied performance level during the applicable warranty period, and provided that the shortfall is not caused by a factor that is excluded from the performance warranty, the warranty provides that we will pay the customer a liquidated damage based on the value of the shortfall of energy produced relative to the applicable warrantied performance level.

We maintain reserves to cover the expected costs that could result from these warranties. Our expected costs are generally in the form of product replacement or repair. Warranty reserves are based on our best estimate of such costs and are recognized as a cost of revenue. We continuously monitor product returns for warranty failures and maintain a reserve for the related warranty expenses based on various factors including historical warranty claims, results of accelerated lab testing, field monitoring, vendor reliability estimates, and data on industry averages for similar products. Due to the potential for variability in these underlying factors, the difference between our estimated costs and our actual costs could be material to our combined financial statements. If actual product failure rates or the frequency or severity of reported claims differ from our estimates or if there are delays in our responsiveness to outages, we may be required to revise our estimated warranty liability. Historically, warranty costs have been within our expectations.

Stock-Based Compensation

Our employees have historically participated in SunPower's stock-based compensation plans. Stock-based compensation expense has been allocated to us based on the awards and terms previously granted to our employees as well as an allocation of SunPower's corporate and shared functional employee expenses. The stock-based compensation expense is based on the measurement date fair value of the award and is recognized only for those awards expected to meet the service and performance vesting conditions on a straight-line basis over the requisite service period of the award. Stock-based compensation expense is determined at the aggregate grant level for service-based awards and at the individual vesting tranche level for awards with performance and/or market conditions. The forfeiture rate is estimated based on SunPower's historical experience.

Restructuring Charges

We record charges associated with SunPower -approved restructuring plans to reorganize one or more of our business segments, to remove duplicative headcount and infrastructure associated with business acquisitions or to simplify business processes and accelerate innovation. Restructuring charges can include severance costs in

connection with the termination of a specified number of employees, infrastructure charges to vacate facilities and consolidate operations, and contract cancellation costs. We record restructuring charges based on estimated employee terminations and site closure and consolidation plans. We accrue for severance and other employee separation costs under these actions when it is probable that benefits will be paid and the amount is reasonably estimable. The rates used in determining severance accruals are based on existing plans, historical experiences and negotiated settlements.

Investments in Equity Interests

Investments in entities in which we can exercise significant influence, but do not own a majority equity interest or otherwise control, are accounted for under the equity method. We record our share of the results of these entities as "Equity in earnings (losses) of unconsolidated investees" on the Combined Statements of Operations. We monitor our investments for other-than-temporary impairment by considering factors such as current economic and market conditions and the operating performance of the entities and record reductions in carrying values when necessary. The fair value of privately held investments is estimated using the best available information as of the valuation date, including current earnings trends, undiscounted cash flows, and other company specific information, including recent financing rounds.

Accounting for Income Taxes

Our operations have historically been included in the tax returns filed by the respective SunPower entities of which our businesses are a part. Income tax expense and other income tax related information contained in these combined financial statements are presented on a separate return basis as if we filed our own tax returns. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if we were a separate taxpayer and a standalone enterprise for the period presented. Current income tax liabilities related to entities which file jointly with SunPower are assumed to be immediately settled with SunPower and are relieved through Net Parent investment in the Combined Balance Sheets and the Net Parent contribution in the Combined Statements of Cash Flows.

We recognize deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted tax rates in effect for the year the differences are expected to reverse. We record a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized.

We record accruals for uncertain tax positions when we believe that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. We make adjustments to these accruals when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. The provision for income taxes includes the effects of adjustments for uncertain tax positions, as well as any related interest and penalties.

As applicable, interest and penalties on tax contingencies are included in "Benefit from (provision for) income taxes" in the Combined Statements of Operations and such amounts were not material for the period presented. In addition, foreign exchange gains (losses) may result from estimated tax liabilities, which are expected to be settled in currencies other than the U.S. dollar.

The Tax Act and Jobs Act of 2017 (the "Tax Act") also included a provision to tax Global Intangible Low-Taxed Income ("GILTI") of foreign subsidiaries in excess of a deemed return on their tangible assets. Pursuant to the SEC guidance on accounting for the Tax Act, corporations are allowed to make an accounting policy election to either (i) recognize the tax impact of GILTI as a period cost (the "period cost method") or (ii) account for GILTI in the corporation's measurement of deferred taxes (the "deferred method"). In the fourth quarter of the fiscal year 2018, SunPower elected to recognize the tax impact of GILTI as a period cost under the period cost method.

Variable Interest Entities ("VIE")

We regularly evaluate our relationships and involvement with unconsolidated VIEs and our other equity and cost method investments, to determine whether we have a controlling financial interest in them or have become the primary beneficiary, thereby requiring us to consolidate their financial results into our financial statements. If we determine that we hold a variable interest, we then evaluate whether we are the primary beneficiary. If we determine that we are the primary beneficiary, we will consolidate the VIE. The determination of whether we are the primary beneficiary is based upon whether we have the power to direct the activities that most directly impact the economic performance of the VIE and whether we absorb any losses or receive any benefits that would be potentially significant to the VIE.

Components of Results of Operations

The following section describes certain line items in our Combined Statements of Operations:

Revenue

We recognize revenue from the sale of solar panels and related solar system components, primarily to dealers, system integrators and distributors, and in some cases on a multi-year, firm commitment basis. For a discussion of how and when we recognize revenue, see "Critical Accounting Estimates-Revenue Recognition."

Cost of Revenue

We generally recognize our cost of revenue in the same period that we recognize related revenue. Cost of revenue includes actual cost of material, labor and manufacturing overhead incurred for revenue-producing units shipped. Cost of revenue also includes associated warranty costs and other costs. The cost of solar panels is the single largest cost element in our cost of revenue. Our cost of solar panels consists primarily of: (i) polysilicon, silicon ingots and wafers used in the production of solar cells, (ii) other materials and chemicals including glass, frame, and backing, and (iii) direct labor costs and assembly costs. Other factors that contribute to our cost of revenue include salaries and personnel-related costs, depreciation, facilities related charges, freight, as well as charges related to sales of raw material inventory and write-downs.

Impairment of Manufacturing Assets

As discussed above, SunPower recognized a non-cash impairment charge of $369.2 million during its fiscal quarter ended July 1, 2018. Out of SunPower's impairment charge, we recognized $367.9 million, of which $354.8 million was allocated to "Impairment of manufacturing assets" in our Combined Statement of Operations during the year ended December 30, 2018. There were no significant impairment charges recorded in fiscal year 2019.

Gross Loss

Our gross loss is affected by a number of factors, including average selling prices for our solar power components, our product mix, our actual manufacturing costs, the utilization rate of our solar cell manufacturing facilities, inventory net realizable value charges, losses on third party polysilicon sales, and actual overhead costs.

Research and Development

Research and development expense consists primarily of salaries and related personnel costs, depreciation and impairment of equipment, and the cost of solar panel materials, various prototyping materials, and services used for the development and testing of products. Research and development expense is reported net of contributions under collaborative arrangements.

Sales, General and Administrative

Sales, general and administrative expense consists primarily of salaries and related personnel costs, professional fees, bad debt expenses, and other selling and marketing expenses.

Restructuring

Restructuring expense in fiscal years 2018 and 2019 consist mainly of costs associated with our December 2016 and February 2018 restructuring plans aimed to realign our downstream investments, optimize our supply chain, and reduce operating expenses in response to expected near-term challenges. Charges in connection with these plans consist primarily of severance benefits, and lease and related termination costs. See “Note 7. Restructuring” to our combined financial statements.

Other Expense, Net

Interest expense primarily relates to debt under SunPower’s senior convertible debentures. SunPower’s long-term debt has not been attributed to us for the period presented because SunPower’s borrowings are not our legal obligation. In December 2015, SunPower issued $425.0 million in principal amount of the 4.00% debentures due 2023, the proceeds of which were used to finance Fab 4, which relates to our business. As such, our interest and other costs associated with the 4.00% debentures due 2023 are reflected in the Combined Statements of Operations. However, as the debentures are legal obligations of SunPower and will not be transferred to us, they are not reflected in our Combined Balance Sheets. See further discussion on the basis of presentation of the combined financial statements under “Note 1. Background and Basis of Presentation” to our combined financial statements.

Other, net includes gains or losses on foreign exchange and derivatives.

Income Taxes

The Tax Act was enacted on December 22, 2017. The Tax Act provided for numerous significant tax law changes and modifications, including the reduction of the U.S. federal corporate income tax rate from 35% to 21%, the requirement for companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creation of new taxes on certain foreign sourced earnings. In accordance with accounting standard ASC 740, *Income Taxes*, companies are required to recognize the tax law changes in the period of enactment. The SEC staff issued SAB 118 to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. SunPower provided a reasonable estimate of the effects of the Tax Act in its financial statements in 2017. December 22, 2018 marked the end of the measurement period for purposes of SAB 118. SunPower completed its analysis based on legislative updates currently available and reported the changes to the provisional amounts previously recorded which did not impact our income tax provision. SunPower also confirmed that the Tax Act does not impact its expectations of actual cash payments for income taxes in the foreseeable future.

Deferred tax assets and liabilities are recognized for temporary differences between financial statement and income tax bases of assets and liabilities. Valuation allowances are provided against deferred tax assets when management cannot conclude that it is more likely than not that some portion or all deferred tax assets will be realized.

We currently benefit from a preferential tax rate of 5% in the Philippines in accordance with our registration with the PEZA after the tax holiday expired at the end of 2019. We also benefit from a tax holiday granted by the Malaysian government to our former joint venture AUOSP (now our wholly owned subsidiary, SunPower Malaysia Manufacturing Sdn. Bhd.) subject to certain hiring, capital spending, and manufacturing requirements.

We are subject to the statutory tax rate after the 2019 Switzerland tax reform that eliminated the auxiliary company designation starting fiscal 2020. For additional information see “Note 2. Summary of Significant Accounting Policies” and “Note 13. Income Taxes” to our combined financial statements.

Equity in Losses of Unconsolidated Investees

Equity in earnings (loss) of unconsolidated investees represents our reportable share of earnings (loss) generated from entities in which we own an equity interest accounted for under the equity method.

Net Loss Attributable to Noncontrolling Interests

We determined that we hold controlling interests in certain less-than-wholly owned entities and have fully consolidated these entities as a result. Noncontrolling interests represent the portion of net assets in these consolidated subsidiaries that are not attributable, directly or indirectly, to us. Net losses attributable to the noncontrolling interests represent the portion of our net loss allocated to the noncontrolling interests.

Results of Operations

Set forth below is a discussion of our results of operations for the fiscal years ended December 29, 2019 and December 30, 2018, respectively.

Revenues and Cost of Revenue

	Fiscal Year Ended	
(in thousands)	December 29, 2019	December 30, 2018
Revenues	$ 1,198,301	$ 912,313
Cost of revenue	1,200,610	1,007,474
As a percentage of total revenue	100%	110%
Gross loss percentage	<1%	10%

During the year ended December 29, 2019, we recognized revenue from sales of modules and components of $1.2 billion, of which $426.5 million, or 35.6% of total revenue, represented sales of solar modules to SunPower using transfer prices determined based on management’s assessment of market-based pricing terms. Except for revenue transactions with SunPower, as of December 29, 2019, we had no customers that accounted for at least 10% of revenue. As of December 29, 2019, SunPower accounted for 33.7% of accounts receivable. In addition, two customers accounted for 20.4% and 13.6% of accounts receivable as of December 29, 2019. No other customers accounted for 10% or more of accounts receivable. The increase of $286.0 million in revenues was primarily due to higher volume of module sales in Europe and Asia as well as increased sales to SunPower of $38.0 million in 2019 as compared to 2018.

During the year ended December 30, 2018, we recognized revenue for sales of modules and components from contracts with customers of $912.3 million, of which $388.5 million, or 42.6% of total revenue, represented the sale of solar modules to SunPower using transfer prices determined based on management’s assessment of market-based pricing terms. Except for revenue transactions with SunPower, as of December 30, 2018, we had no other customers that accounted for at least 10% of revenue. As of December 30, 2018, SunPower accounted for 28.2% of accounts receivable. In addition, one other customer accounted for 12.6% of accounts receivable as of December 30, 2018. No other customers accounted for 10% or more of accounts receivable.

Cost of revenue was $1.2 billion in fiscal year 2019 and includes $56.5 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under the long-term fixed supply

agreements. In addition, we estimate that we paid $88.7 million above the current market price for polysilicon as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process, which is the difference between our contractual cost under the long-term fixed supply agreements and the price of polysilicon available in the market as derived from publicly available information, multiplied by the volume of polysilicon we have consumed. The remainder of cost of revenue includes actual cost of material, labor and manufacturing overhead incurred for revenue-producing units shipped, and associated warranty costs. The increase of $193.1 million in cost of revenue was primarily due to higher volume of module sales in Europe and Asia.

Cost of revenue was $1.0 billion in fiscal year 2018 and includes tariff-related charges of $42.5 million and $31.6 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under the long-term fixed supply agreements. In addition, we estimated that we paid $59.4 million above the current market price for polysilicon as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process, which is the difference between our contractual cost under the long-term fixed supply agreements and the price of polysilicon available in the market as derived from publicly available information, multiplied by the volume of polysilicon we have consumed. The remainder of cost of revenue includes actual cost of material, labor and manufacturing overhead incurred for revenue-producing units shipped, and associated warranty costs.

In fiscal year 2020, we expect an increase in revenues and a reduction in cost of revenue as a percentage of total revenues from the sales of our Maxeon 5 and 6 cell and panel technology which is expected to have lower manufacturing cost yet offering higher efficiency compared to our current technology. We will continue to monitor the impact of the COVID-19 pandemic on our business.

Revenues by Geography

	Fiscal Year Ended	
(in thousands)	**December 29, 2019**	**December 30, 2018**
United States	$ 433,293	$ 397,160
As a percentage of total revenue	36%	44%
France	$ 138,423	$ 170,468
As a percentage of total revenue	12%	19%
China	$ 119,010	$ 15,467
As a percentage of total revenue	10%	2%
Japan	$ 90,837	$ 82,313
As a percentage of total revenue	8%	9%
Rest of world	$ 416,738	$ 246,905
As a percentage of total revenue	34%	26%
Total revenues	$ 1,198,301	$ 912,313

Revenues are attributed to U.S. and international geographies primarily based on the destination of the shipments. The $433.3 million in sales attributed to the U.S. includes $426.5 million in sales to SunPower for the fiscal year ended December 29, 2019. The $397.2 million in sales attributed to the U.S. includes $388.5 million in sales to SunPower for the fiscal year ended December 30, 2018.

Impairment of Manufacturing Assets and Gross Loss

(in thousands)	Fiscal Year Ended December 29, 2019	December 30, 2018
Impairment of manufacturing assets	$ —	$ 354,768
As a percentage of total revenue	0%	39%
Gross loss	(2,309)	(449,929)

SunPower recognized a non-cash impairment charge of $369.2 million related to manufacturing assets during its fiscal quarter ended July 1, 2018. Out of SunPower's impairment charge, we recognized $367.9 million of which $354.8 million was allocated to "Impairment of manufacturing assets" in our Combined Statement of Operations during the year ended December 30, 2018.

Operating Expenses

Operating expenses includes allocations of general corporate expenses from SunPower including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue or headcount as relevant measures. Management of Maxeon Solar and SunPower consider these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, us. The allocations may not, however, reflect the expense we would have incurred as a standalone company for the period presented, nor our future results upon completion of the proposed separation. Actual costs that may have been incurred if we had been a standalone company, and future costs, would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

(in thousands)	Fiscal Year Ended December 29, 2019	December 30, 2018
Operating expenses:		
Research and development	$ 36,997	$ 50,031
As a percentage of total revenue	3%	5%
Sales, general and administrative	96,857	82,041
As a percentage of total revenue	8%	9%
Restructuring (benefits) charges	(517)	7,766
As a percentage of total revenue	<1%	1%
Total operating expenses	$ 133,337	$ 139,838
Operating loss	$ (135,646)	$ (589,767)

Research and Development Expenses

Research and development expenses were $37.0 million in fiscal year 2019, primarily associated with expenditures on our Maxeon 5 and 6 cell and panel technology comprising of compensation expense of $21.9 million, depreciation and amortization expense of $3.2 million, external consulting and legal services of $2.2 million, travel expenses of $1.5 million, and equipment write-offs of $1.3 million.

Research and development expenses were $50.0 million in fiscal year 2018 primarily associated with expenditures on our Maxeon 5 and 6 cell and panel technology comprising of compensation expense of $21.4 million, impairment of property, plant and equipment related to research and development facilities of $12.8 million and depreciation and amortization expense of $5.2 million.

Sales, General and Administrative Expenses

Sales, general and administrative expenses were $96.9 million in fiscal year 2019 and comprised primarily of $32.3 million of compensation expense, $26.1 million of allocations of general corporate expenses from SunPower, including, but not limited to, executive management, finance, legal, information technology and other shared services necessary to operate as a stand-alone public company, $19.2 million of professional fees, $8.5 million of facilities related costs including rent, utilities and maintenance, and $2.9 million of depreciation expense.

Sales, general and administrative expenses were $82.0 million in fiscal year 2018 and comprised primarily of $34.0 million of compensation expense, $18.8 million of allocations of general corporate expenses from SunPower, including, but not limited to, executive management, finance, legal, information technology and other shared services necessary to operate as a stand-alone public company, $14.7 million of professional fees and $3.8 million of depreciation expense.

Restructuring Charges

Restructuring benefits were $0.5 million in fiscal year 2019. The benefit was a result of actual payouts being lower than initial estimates recorded under various legacy plans in historical periods.

Restructuring expenses were $7.8 million in fiscal year 2018 and consist of $6.0 million of costs associated with our February 2018 restructuring plan and $1.8 million of costs associated with our December 2016 restructuring plan. Charges in connection with the February 2018 and December 2016 plans consist of severance benefits of $5.8 million and $0.5 million, respectively, and other termination costs of $0.2 million and $1.3 million, respectively. See “Item 8. Financial Information” and “Note 7. Restructuring” to the combined financial statements for further information regarding our restructuring plans.

Other Expense, Net

	Fiscal Year Ended	
(in thousands)	**December 29, 2019**	**December 30, 2018**
Other expense, net:		
Interest expense	$ (25,831)	$ (25,889)
Other, net	(1,961)	13,469
Other expense, net	$ (27,792)	$ (12,420)

Of the total $25.8 million in interest expense incurred during fiscal 2019, $19.5 million relates to SunPower’s 4.00% debentures due 2023. The 4.00% debentures due 2023 were issued in December 2015, the proceeds of which were used to finance the construction of our solar cell manufacturing facility in the Philippines which relates to our historical business. As such, the interest and other costs associated with the 4.00% debentures due 2023 are reflected in our Combined Statements of Operations. An additional $4.4 million included in interest expense relates to non-cash accretion charges. In connection with our 2016 acquisition of 100% equity voting interest in our former joint venture AUO SunPower Sdn. Bhd., we are required to make non-cancellable annual installment payments during 2019 and 2020. Our Combined Statements of Operations reflect these non-cash accretion charges as it relates to these installment payments.

Of the total $25.9 million in interest expense incurred during fiscal 2018, $17.0 million relates to SunPower’s 4.00% debentures due 2023. An additional $7.0 million included in interest expense relates to non-cash accretion charges.

Other, net for the fiscal year ended December 29, 2019 was primarily driven by the foreign exchange losses incurred in various regions. Other, net for the fiscal year ended December 30, 2018 was primarily a $11.4 million gain related to contractual obligations satisfied with inventory. This contractual obligation was fully settled in 2018.

Income Taxes

	Fiscal Year Ended	
(in thousands)	December 29, 2019	December 30, 2018
Benefit from (provision for) income taxes	$ (10,122)	$ 1,050
As a percentage of total revenue	1%	<1%

The Company's income tax expense and deferred tax balances have been calculated on a separate return basis as if we filed our own tax returns, although its operations have been included in SunPower's U.S. federal, state and foreign tax returns. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if we were a separate taxpayer and a standalone enterprise for the period presented.

In the year ended December 29, 2019, our income tax expense of $10.1 million on a loss before income taxes and equity in earnings of unconsolidated investees of $161.0 million was primarily due to tax expenses in foreign jurisdictions that were profitable.

In the year ended December 30, 2018, our income tax benefit of $1.1 million was primarily due to releases of valuation allowance in a foreign jurisdiction and tax reserve due to the lapse of statutes of limitation offset by income tax expenses in foreign jurisdictions that were profitable.

Equity in Losses of Unconsolidated Investees

For the fiscal years ended December 29, 2019 and December 30, 2018, our unconsolidated investees experienced a loss for which we recorded our reportable share of $5.3 million and $2.9 million, respectively. The increase of $2.4 million in equity in loss of unconsolidated investees was primarily driven by a fixed assets impairment charged recognized by our investee during 2019.

Net (Gain) Loss Attributable to Noncontrolling Interests

For the fiscal years ended December 29, 2019 and December 30, 2018, we attributed $4.2 million of net gain and $0.3 million of net loss, respectively, to noncontrolling interests. The increase in net gain attributable to noncontrolling interests was a result of profitable operations from our consolidated investee during 2019.

Reconciliation of Non-GAAP Financial Measures

(in thousands)	Fiscal Year Ended December 29, 2019	December 30, 2018
Selected GAAP Financial Data		
Revenue	$ 1,198,301	$ 912,313
Cost of revenue(1)	1,200,610	1,007,474
Impairment of manufacturing assets	—	354,768
Gross loss(1)	(2,309)	(449,929)
Operating loss(1)	(135,646)	(589,767)
Benefit from (provision for) income taxes	(10,122)	1,050
GAAP net loss(1)	(178,902)	(604,080)
GAAP net loss attributable to the Parent(1)	$ (183,059)	$ (603,814)

	2019	2018
Selected Non-GAAP Financial Data		
GAAP net loss attributable to the Parent(1)	$ (183,059)	$ (603,814)
Interest expense	25,831	25,889
Provision for (benefit from) income taxes	10,122	(1,050)
Depreciation	46,007	68,983
Amortization	7,290	7,241
EBITDA(1)	$ (93,809)	$ (502,751)
Additional Adjustments		
Impairment	4,053	367,859
Stock-based compensation expense	7,135	8,580
Restructuring expense	(517)	7,766
Adjusted EBITDA(1)	$ (83,138)	$ (118,546)

1. Our GAAP and Non-GAAP results were adversely impacted by the incremental cost of above-market polysilicon of $56.5 million and $31.6 million during the years ended December 29, 2019 and December 30, 2018, respectively, related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under the long-term fixed supply agreements. In addition, we estimated that we paid $88.7 million and $59.4 million during the years ended December 29, 2019 and December 30, 2018, respectively, above the current market price as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process, which is the difference between our contractual cost under the long-term fixed supply agreements and the price of polysilicon available in the market as derived from publicly available information at the time, multiplied by the volume of polysilicon we have consumed.

We present earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA adjusted for specified additional items ("Adjusted EBITDA"), which are non-GAAP measures, to supplement our combined financial results presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA are useful to investors, enabling them to better assess changes in our results of operations across different reporting periods on a consistent basis, independent of certain items as presented above. Thus, EBITDA and Adjusted EBITDA provide investors with additional methods to assess our operating results in a manner that is focused on our ongoing, core operating performance, absent the effects of these items. We also use EBITDA and Adjusted EBITDA internally to assess our business, financial performance and current and historical results, as well as for strategic decision-making and forecasting future results. Given our use of EBITDA and Adjusted EBITDA, we believe that these measures may be important to investors in understanding our operating results as seen through the eyes of management. EBITDA and Adjusted EBITDA are not prepared in accordance with

GAAP or intended to be a replacement for GAAP financial data, should be reviewed together with GAAP measures and may be different from non-GAAP measures used by other companies.

The following is a description of each adjustment to arrive at our non-GAAP measures:

- *Impairment*. In the second quarter of fiscal year 2018, SunPower announced its proposed plan to reorganize its corporate structure into separate upstream and downstream business units, and long-term strategy to replace the existing IBC technology with Maxeon 5 and 6. Accordingly, SunPower expected to upgrade the equipment associated with its manufacturing operations for the production of Maxeon 5 and 6 panels over several years. In connection with these planned changes that would impact the utilization of its manufacturing assets, continued pricing challenges in the industry and at that time uncertainties associated with the Section 201 trade case, SunPower determined that indicators of impairment existed and performed an impairment analysis. Through this analysis, SunPower recognized a non-cash impairment charge during its fiscal quarter ended July 1, 2018. This asset impairment is excluded as it is non-cash in nature and not reflective of ongoing results. Any such non-recurring impairment charge recorded by our equity method or other unconsolidated investees is also excluded from our Adjusted EBITDA financial measures as such changes are not reflective of our ongoing operating results.
- *Stock-based compensation expense*. Stock-based compensation relates primarily to equity incentive awards. Stock-based compensation is a non-cash expense that is dependent on market forces that are difficult to predict. Management believes that this adjustment for stock-based compensation expense provides investors with a basis to measure our core performance, including the ability to compare our performance with the performance of other companies, without the period-to-period variability created by stock-based compensation.
- *Restructuring expense*. We incurred restructuring expenses related to reorganization plans implemented by SunPower aimed towards realigning resources consistent with SunPower's global strategy and improving its overall operating efficiency and cost structure. Restructuring charges are excluded from Adjusted EBITDA financial measures because they are not considered core operating activities and such costs have historically occurred infrequently. Although we have engaged in restructuring activities in the past, past activities have been discrete events based on unique sets of business objectives. As such, management believes that it is appropriate to exclude restructuring charges from our Adjusted EBITDA financial measures as they are not reflective of ongoing operating results nor do these charges contribute to a meaningful evaluation of our past operating performance.

5.B. LIQUIDITY AND CAPITAL RESOURCES

Historical Liquidity

Our operations have historically participated in cash management and funding arrangements managed by SunPower. Cash flows related to financing activities primarily reflect changes in SunPower's investment in us. As part of SunPower, we are dependent on SunPower for our working capital and financing requirements as SunPower uses a centralized approach for cash management and financing of its operations. SunPower provides funding for our operating and investing activities including pooled cash managed by SunPower treasury to fund operating expenses and capital expenditures. SunPower also directly collects our receivables. These activities are reflected as a component of net parent investment, and this arrangement is not reflective of the manner in which we would operate as a stand-alone business separate from SunPower during the period presented. Accordingly, none of SunPower's cash, cash equivalents or debt at the corporate level have been assigned to us in the combined financial statements. Net parent investment represents SunPower's interest in the recorded net assets of Maxeon Solar. All significant transactions between us and SunPower have been included in the accompanying combined financial statements.

Future Liquidity

Following the spin-off from SunPower, our capital structure and sources of liquidity will change significantly from our historical capital structure. Subsequent to the separation, we will no longer participate in cash management and funding arrangements managed by SunPower.

We believe that our current cash, cash equivalents and cash expected to be generated from operations will be sufficient to meet our working capital needs and fund our committed capital expenditures over the next 12 months from the date of the issuance of the financial statements. In conjunction with evaluating our ability to continue as a going concern, we have considered our historical ability to work with our vendors to obtain favorable payment terms, when possible, and our ability to reduce manufacturing output to reduce inventory in order to optimize our working capital. We may also choose to explore additional options in connection with our short-term liquidity needs, such as selling raw materials inventory to third parties, liquidating certain investments, implementing additional restructuring plans, and deferring or canceling uncommitted capital expenditures and other investment or acquisition activities. However, based on current macroeconomic conditions resulting from the uncertainty caused by the COVID-19 pandemic, we cannot predict, with certainty, the outcome of our actions to generate liquidity as planned. Our liquidity is subject to various risks including the risks identified in “Risk Factors” and market risks identified in “Quantitative and Qualitative Disclosures about Market Risk.”

Cash Flows

A summary of the sources and uses of cash, cash equivalents, restricted cash and restricted cash equivalents is as follows:

	Fiscal Year Ended	
(in thousands)	December 29, 2019	December 30, 2018
Net cash used in operating activities	$ (26,340)	$ (156,823)
Net cash used in investing activities	(41,871)	(52,969)
Net cash provided by financing activities	89,884	165,824

Operating Activities

Net cash used in operating activities in fiscal year 2019 was $26.3 million and was primarily the result of: (i) net loss of $178.9 million; (ii) $77.8 million increase in accounts receivable, primarily attributable to billings and collection cycles; and (iii) $2.6 million decrease in operating lease liabilities.

This was primarily offset by: (i) non-cash charges of $60.8 million related to depreciation and amortization, stock-based compensation and other non-cash charges; (ii) $53.5 million increase in accounts payable and other accrued liabilities, primarily attributable to pushing out payments of accrued expenses; (iii) $50.2 million decrease in advance payments to suppliers; (iv) $28.4 million related to the decrease in inventory; (v) non-cash interest charges of $23.8 million primarily attributable to $19.5 million in interest expense financed by SunPower associated with SunPower’s convertible debt; (vi) $6.5 million increase in contract liabilities; (vii) $5.3 million equity in earnings of unconsolidated investees; (viii) $2.4 million decrease in operating lease right-of-use assets; (ix) $1.0 million decrease in prepaid expenses and other assets, primarily related to the receipt of prepaid inventory; and (x) $0.8 million net change in income taxes.

Net cash used in operating activities in fiscal year 2018 was $156.8 million and was primarily the result of: (i) net loss of $604.1 million; (ii) $75.5 million decrease in accounts payable and other accrued liabilities, primarily attributable to payments of accrued expenses in the normal course of business; (iii) $32.5 million increase in accounts receivable, primarily attributable to billings and collection cycles; (iv) $11.4 million gain from contractual obligations satisfied with inventory; and (v) $2.2 million net change in income taxes.

This was primarily offset by: (i) non-cash impairment of property, plant and equipment of $367.9 million; (ii) non-cash interest charges of $24.0 million primarily attributable to $17.0 million in interest expense financed by SunPower associated with SunPower's convertible debt; (iii) non-cash charges of $92.5 million related to depreciation and amortization, stock-based compensation and other non-cash charges; (iv) $44.4 million decrease in advance payments to suppliers; (v) $16.8 million decrease in prepaid expenses and other assets, primarily related to the receipt of prepaid inventory; (vi) $18.1 million related to the decrease in inventory; and (vii) $2.9 million equity in earnings of unconsolidated investees.

In December 2018, we entered into a one-year factoring arrangement with a single counterparty under which we sold invoices with a total face value of approximately $26.3 million, which achieved sale accounting under ASU 2014-11, *Transfers and Servicing* (Topic 860). This amount was reflected as an operating cash inflow in accordance with ASC 230-10-45-16(a).

Investing Activities

Net cash used in investing activities in fiscal year 2019 was $41.9 million, which was primarily capital expenditures.

Net cash used in investing activities in fiscal year 2018 was $53.0 million, which primarily included $39.6 million in capital expenditures and $13.3 million paid for investment in unconsolidated investees.

Financing Activities

Net cash provided by financing activities in fiscal year 2019 was $89.9 million, which included $253.3 million in proceeds from bank loans and other debt and $92.4 million net contributions from SunPower, offset by $254.6 million in cash used for repayment of debt obligations. As cash and the financing of our operations have historically been managed by SunPower, the components of Net parent contribution include cash payments by SunPower to settle our obligations. These transactions are considered to be effectively settled for cash at the time the transaction is recorded.

Net cash provided by financing activities in fiscal year 2018 was $165.8 million, which included $227.7 million in proceeds from bank loans and other debt and $171.1 million net contributions from SunPower, offset by $231.9 million in cash used for the repayment of debt obligations. As cash and the financing of our operations have historically been managed by SunPower, the components of Net parent contribution includes cash payments by SunPower to settle our obligations. These transactions are considered to be effectively settled for cash at the time the transaction is recorded.

Debt

In 2019, SunPower entered into a master buyer agreement which entitles us to financing through HSBC Bank Malaysia Berhad to settle our outstanding vendor obligations. The agreement entitles us to combined financing of $25.0 million at an interest rate of 1.4% per annum over LIBOR interest rate over a maximum financing tenor of 90 days.

In June 2018, SunPower entered into a revolving credit agreement which entitles us to import and export combined financing of $50.0 million through Standard Chartered Bank Malaysia Berhad at a 1.5% per annum over LIBOR interest rate over a maximum financing tenor of 90 days.

In June 2012, SunPower entered into an Onshore Foreign Currency Loan agreement through Bank of China (Malaysia) Berhad, which provides for the issuance, upon our request, of letters of credit to support our obligations. The agreement entitles us to combined financing of $10.0 million at an interest rate of 1.0% per annum over Cost of Funds Rate for a minimum financing tenor of 7 days and maximum financing tenor of 90 days.

Liquidity

As of December 29, 2019, we had unrestricted cash and cash equivalents of $121.0 million. Our cash balances are held in numerous locations throughout the world, and as of December 29, 2019, all of our cash was held outside of the United States. This offshore cash is used to fund operations of our business in the EMEA and Asia Pacific regions as well as non-U.S. manufacturing operations, which require local payment for product materials and other expenses.

Prior to the spin-off, we expect to enter into debt financing arrangements pursuant to which we will have total available borrowing capacity of up to $325.0 million. Immediately following the separation and distribution, TZS will contribute $298.0 million in cash to Maxeon Solar in exchange for a number of our shares such that immediately following such issuance, TZS will own approximately 28.848% of our outstanding shares.

We expect total capital expenditures related to purchases of property, plant and equipment of approximately $73.0 million in fiscal year 2020 in order to increase our manufacturing capacity for our highest efficiency Maxeon 5 and 6 product platform and our new Performance Line, improve our current and next generation solar cell manufacturing technology, and other projects.

We have an obligation to purchase $348.6 million of polysilicon material pursuant to long-term fixed supply agreements with one polysilicon supplier. Of this commitment, we have prepaid $121.4 million with the balance of $227.2 million expected to be paid in cash over a period ending in June 2021 until we have fully taken the contractually committed quantities specified in the long-term fixed supply agreements. See Note 8. “Commitments and Contingencies” to our combined financial statements for further information. In fiscal year 2019, we recorded charges of $56.5 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under our long-term fixed supply agreements and we estimated that we paid $88.7 million above the current market price as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process. In fiscal year 2018, we recorded charges of $31.6 million related to losses incurred as a result of ancillary sales to third parties of excess polysilicon procured under our long-term fixed supply agreements and we estimated that we paid $59.4 million above the current market price as we were bound by our long-term fixed supply agreements for polysilicon consumed in our manufacturing process.

As of December 29, 2019, based on the then price of polysilicon available in the market, we estimated the remaining contractual commitments under SunPower’s long-term fixed supply agreements for polysilicon that is above market to be approximately $258.2 million, which we expect to incur from 2020 through 2021 based on our forecasted internal manufacturing consumption and ancillary sales. A portion of this loss as well as cash payment may be deferred beyond 2021 as we may negotiate with the supplier to extend the timing of delivery and acceptance of above-market polysilicon pursuant to the underlying contractual purchase obligations. Alternatively, we may negotiate relief under our contractual commitments in exchange for earlier cash payments.

On September 29, 2016, SunPower completed the acquisition of AUOSP (now our wholly owned subsidiary, SunPower Malaysia Manufacturing Sdn. Bhd.) pursuant to a stock purchase agreement entered into between SunPower Technology, Ltd. (“SPTL”), one of our wholly owned subsidiaries, and AU Optronics Singapore Pte. Ltd. (“AUO”). Pursuant to the stock purchase agreement, SPTL purchased all of the shares of AUOSP held by AUO for a total purchase price of $170.1 million in cash, payable in installments as set forth in the stock purchase agreement, to obtain 100% of the voting equity interest in AUOSP. As agreed by SunPower and Maxeon Solar in the Investment Agreement, SunPower paid $30.0 million in cash on September 30, 2019. The remaining $30.0 million in cash will be paid by us on or before September 30, 2020.

There are no assurances that we will have sufficient available cash to repay our indebtedness or that we will be able to refinance such indebtedness on similar terms to the expiring indebtedness or at all. If our capital resources are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity investments

or debt securities or obtain other debt financing. The current economic environment, however, could limit our ability to raise capital by issuing new equity or debt securities on acceptable terms or at all, and lenders may be unwilling to lend funds on acceptable terms or at all in the amounts that would be required to supplement cash flows to support operations. The sale of additional equity investments or convertible debt securities would result in dilution to our stockholders and may not be available on favorable terms or at all, particularly in light of the current conditions in the financial and credit markets. Additional debt would result in increased expenses and would likely impose new restrictive covenants which may be similar or different than those restrictions contained in the covenants under our current loan agreement. In addition, financing arrangements and letters of credit facilities, may not be available to us, or may not be available in amounts or on terms acceptable to us.

The recent developments relating to the COVID-19 pandemic have resulted in, among other things, shutdowns of manufacturing and commerce in the United States and many countries worldwide. In our response to the uncertainty surrounding the COVID-19 pandemic, we recently implemented a number of initiatives to proactively address financial and operational impacts of the COVID-19 pandemic and position us well for when the solar industry returns to strong growth. These actions include temporarily reducing the salaries of certain of our executive officers, and temporarily implementing a four-day work week for a portion of our employees, subject to periodic reassessment, to address reduced demand and workloads, with exceptions for certain groups, including those supporting customer and asset services, as well as the recent idling of our factories in France, Malaysia, Mexico and the Philippines, with the expectation that they will come back online in the coming weeks. Also, we have historically been successful in our ability to divest certain investments and non-core assets, and secure other sources of financing, including executing capital market transactions, and cost reduction initiatives such as restructuring, to satisfy our liquidity needs and may consider taking similar actions in the future if necessary. We continue to focus on improving our overall operating performance and liquidity, including managing cash flows and working capital. While challenging industry conditions and a competitive environment extended into the first half of fiscal 2020, we believe that our total cash and cash equivalents will be sufficient to meet our obligations over the next 12 months from the date of issuance of our financial statements.

Although we have historically been able to generate liquidity, we cannot predict, with certainty, the outcome of our actions to generate liquidity as planned. Additionally, we are uncertain of the impact over time of the COVID-19 pandemic to our supply chain, manufacturing and distribution as well as overall construction and consumer spending.

Liabilities Associated with Uncertain Tax Positions

Due to the complexity and uncertainty associated with our tax positions, we cannot make a reasonably reliable estimate of the period in which cash settlement will be made for our liabilities associated with uncertain tax positions in other long-term liabilities. As of December 29, 2019 and December 30, 2018, total liabilities associated with uncertain tax positions were $12.8 million and $10.3 million, respectively, and were included within “Other long-term liabilities” in our Combined Balance Sheets as they are not expected to be paid within the next twelve months.

Foreign Currency Exchange Risk

Our exposure to movements in foreign currency exchange rates is primarily related to sales to European customers that are denominated in Euros. Revenue generated from these European customers represented 15% and 12% of our total revenue in fiscal year 2019 and 2018, respectively. A 10% change in the Euro exchange rate would have impacted our revenue by approximately $17.4 million and $11.1 million in fiscal years 2019 and 2018, respectively.

In the past, we have experienced an adverse impact on our revenue, gross margin and profitability as a result of foreign currency fluctuations. When foreign currencies appreciate against the U.S. dollar, inventories and expenses denominated in foreign currencies become more expensive. An increase in the value of the U.S. dollar

relative to foreign currencies could make our solar power products more expensive for international customers, thus potentially leading to a reduction in demand, our sales and profitability. Furthermore, many of our competitors are foreign companies that could benefit from such a currency fluctuation, making it more difficult for us to compete with those companies.

We currently conduct hedging activities which involve the use of forward currency contracts that are designed to address our exposure to changes in the foreign exchange rate between the U.S. dollar and other currencies. As of December 29, 2019 and December 30, 2018, we had outstanding forward currency contracts with aggregate notional values of $17.5 million and $11.4 million, respectively. Because we hedge some of our expected future foreign exchange exposure, if associated revenues do not materialize we could experience a reclassification of gains or losses into earnings. Such a reclassification could adversely impact our revenue, margins and results of operations. We cannot predict the impact of future exchange rate fluctuations on our business and operating results.

Credit Risk

We have certain financial and derivative instruments that subject us to credit risk. These consist primarily of cash and cash equivalents, restricted cash and cash equivalents, investments, accounts receivable, advances to suppliers, and foreign currency forward contracts. We are exposed to credit losses in the event of nonperformance by the counterparties to our financial and derivative instruments. Our investment policy requires cash and cash equivalents, restricted cash and cash equivalents, and investments to be placed with high-quality financial institutions and limits the amount of credit risk from any one issuer. We additionally perform ongoing credit evaluations of our customers' financial condition whenever deemed necessary and generally do not require collateral.

We enter into agreements with a vendor that specify future quantities and pricing of polysilicon to be supplied for periods up to 10 years. Under certain agreements, we are required to make prepayments to the vendors over the terms of the arrangements. As of December 29, 2019, advances to suppliers totaled $121.4 million. One supplier accounted for 100% of total advances to suppliers as of December 29, 2019. As of December 30, 2018, advances to suppliers totaled $171.5 million. One supplier accounted for 99.6% of total advances to suppliers as of December 30, 2018.

We enter into foreign currency derivative contracts with high-quality financial institutions and limit the amount of credit exposure to any single counterparty. The foreign currency derivative contracts are limited to a time period of a month or less. We regularly evaluate the credit standing of our counterparty financial institutions.

Interest Rate Risk

We are exposed to interest rate risk because many of our customers depend on debt financing to purchase our solar power systems. An increase in interest rates could make it difficult for our customers to obtain the financing necessary to purchase our solar power systems on favorable terms, or at all, and thus lower demand for our solar power products, reduce revenue and adversely impact our operating results. An increase in interest rates could lower a customer's return on investment in a system or make alternative investments more attractive relative to solar power systems, which, in each case, could cause our customers to seek alternative investments that promise higher returns or demand higher returns from our solar power systems, thereby reducing gross margin and adversely impacting our operating results. This risk is significant to our business because our sales model is highly sensitive to interest rate fluctuations and the availability of credit, and would be adversely affected by increases in interest rates or liquidity constraints.

We do not believe that an immediate 10% increase in interest rates would have a material effect on our financial statements under potential future borrowings. In addition, lower interest rates would have an adverse

impact on our interest income. Due to the relatively short-term nature of our investment portfolio, we do not believe that an immediate 10% decrease in interest rates would have a material effect on the fair market value of our money market funds. Since we believe we have the ability to liquidate substantially all of this portfolio, we do not expect our operating results or cash flows to be materially affected to any significant degree by a sudden change in market interest rates on our investment portfolio.

Equity Price Risk Involving Minority Investments in Joint Ventures and Other Non-Public Companies

Our investments held in our joint ventures and other non-public companies expose us to equity price risk. As of December 29, 2019 and December 30, 2018, investments of $26.5 million and $32.8 million are accounted for using the equity method, respectively. As of December 29, 2019 and December 30, 2018, investments of $7.9 million and $8.4 million are accounted for using the measurement alternative method.

These strategic equity investments in third parties are subject to risk of changes in market value and could result in realized impairment losses. We generally do not attempt to reduce or eliminate our market exposure in equity investments. We monitor these investments for impairment and record reductions in the carrying values when necessary. Circumstances that indicate an other-than-temporary decline include the valuation ascribed to the issuing company in subsequent financing rounds, decreases in quoted market prices and declines in operations of the issuer. There can be no assurance that our equity investments will not face risks of loss in the future.

Quantitative and Qualitative Disclosures About Market Risk

See “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

5.C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Our research and development spending totaled $37.0 million and $50.0 million for the years ended December 29, 2019 and December 30, 2018, respectively. As described in the “Risk Factors” section and elsewhere in this Form 20-F, government regulations and policies can make developing or marketing new technologies expensive or uncertain due to various restrictions on trade and technology transfers. See “Item 3. Key Information—3.D. Risk Factors.” For further information on our research and development policies and additional product information, see “Item 4. Information on the Company— 4.B. Business Overview.”

5.D. TREND INFORMATION

Please see “—5.A. Operating Results—Trends and Uncertainties” and “Item 4. Information on the Company—4.B. Business Overview—Our Markets” for trend information.

5.E. OFF-BALANCE SHEET ARRANGEMENTS

We have no uncombined special purpose financing or partnership entities or other off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources, that is material to investors. See also “Note 8. Commitments and Contingencies” to our combined financial statements included elsewhere in this Form 20-F and matters described in “—5.F. Aggregate Contractual Obligations.”

5.F. AGGREGATE CONTRACTUAL OBLIGATIONS

The following table summarizes our contractual obligations and other commercial commitments as of December 29, 2019 as well as the effect these obligations and commitments are expected to have on our liquidity and cash flow in future periods, on:

- an actual basis; and

- a pro forma basis to give effect to our incurrence of borrowings under debt facilities in connection with the spin-off.

Actual

(in thousands)	Total	Payments Due by Fiscal Period 2020	2021-2022	2023-2024	Beyond 2024
Operating lease commitments	$ 28,267	$ 4,249	$ 7,972	$ 7,797	$ 8,249
Other debt, including interest	61,973	61,377	150	156	290
Finance lease commitments	2,087	627	1,282	178	—
Non-cancellable purchase orders	154,653	154,653	—	—	—
Purchase commitments under agreements	348,632	310,578	38,054	—	—
Deferred purchase consideration in connection with acquisition	30,000	30,000	—	—	—
Total	$625,612	$561,484	$ 47,458	$ 8,131	$ 8,539

Pro Forma

(in thousands)	Total	Payments Due by Fiscal Period 2020	2021-2022	2023-2024	Beyond 2024
Operating lease commitments	$ 28,267	$ 4,249	$ 7,972	$ 7,797	$ 8,249
Other debt, including interest	61,973	61,377	150	156	290
Finance lease commitments	2,087	627	1,282	178	—
Non-cancellable purchase orders	154,653	154,653	—	—	—
Purchase commitments under agreements	348,632	310,578	38,054	—	—
Deferred purchase consideration in connection with acquisition	30,000	30,000	—	—	—
Term loans and revolver, including interest and commitment fee(1)	231,418	11,806	23,612	196,000	—
Total	$857,030	$573,290	$ 71,070	$204,131	$ 8,539

(1) Amount related to revolver reflects commitment fee only.

For other contingencies, see “Item 4. Information on the Company—4.D. Property, Plants and Equipment—Environmental Matters,” “Item 8. Financial Information—8.A. Combined Statements and Other Financial Information” and “Note 8. Commitments and Contingencies” to our combined financial statements included elsewhere in this Form 20-F.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A. DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

We are currently a wholly owned subsidiary of SunPower, and our directors consist of both employees of SunPower and a nominee director, whom will not be members of the Maxeon Solar Board following the spin-off with the exception of Maxeon Solar's chief executive officer, Jeff Waters, who will remain on the Maxeon Solar Board.

Our Constitution will provide that, subject to the regulations of Maxeon Solar contained in the Constitution for the time being in force, the minimum number of directors is two and the maximum number is ten. We may vary the maximum number of directors by ordinary resolution from time to time. Following the spin-off, the composition of the Maxeon Solar Board will also be subject to the terms of the Shareholders Agreement entered into by us, Total and TZS as further described in "Item 7. Major Shareholders and Related Party Transactions—Item 7.B. Related Party Transactions—Agreements Between Us and TZS and/or Total in Connection with TZS Investment—Shareholders Agreement." Pursuant to the Shareholders Agreement, upon consummation of the spin-off the Maxeon Solar Board will consist of ten directors, including three Total designees, three TZS designees, three independent directors and Maxeon Solar's chief executive officer.

The following table sets forth information regarding Jeff Waters and the selected independent directors expected to serve on the Maxeon Solar Board as of the date of this Form 20-F.

Remi Bourgeois, Erick Chabanne, and Lee Young are the designees of Total and SHEN Haoping. ZHANG Changxu and WANG Yan re the designess of TZS persuant to the shareholders agreement

Name	Age
Jeffrey W. Waters, Chief Executive Officer	55
Kevin Kennedy	64
Donald Colvin	67
Chee Keong Yap	60
Remi Bourgeois	51
Erick Chabanne	55
Lee Young	46
SHEN Haoping	57
ZHANG Changxu	44
WANG Yan	35

Biographies

Jeffrey W. Waters, Chief Executive Officer

Jeffrey Waters is our Chief Executive Officer and, prior to the separation and spin-off, led the SunPower Technologies business unit of SunPower since January 2019, which included its global manufacturing, research and development and SunPower Solutions group. An experienced global business, operations and sales leader, Mr. Waters joined SunPower in January 2019 from Isola, where he worked from Silicon Valley as the company's president and chief executive officer. Prior to Isola, Waters was senior vice president and general manager with Altera Corporation and also held a variety of executive positions with Texas Instruments/National Semiconductor in both the U.S. and Japan for 18 years, including in global sales.

Mr. Waters holds a bachelor's degree in engineering from the University of Notre Dame, a master's degree in engineering from Santa Clara University and a master of business administration from Northwestern University.

Kevin Kennedy

Kevin Kennedy will serve as an independent director and Chairman of Maxeon Solar's Board. Dr. Kennedy currently serves as CEO of a small technology startup and was previously the President and Chief Executive Officer of Avaya Inc., a leading global provider of business communications applications, systems and services. Prior to joining Avaya in January 2009, Dr. Kennedy was President and CEO of JDS Uniphase Corporation and

has worked in various senior management roles in multinational telecom companies including Cisco Systems and Bell Laboratories. In 1987, Dr. Kennedy was a Congressional Fellow to the U.S. House of Representatives Committee on Science, Space and Technology. In January 2011, he was appointed to the President's National Security Telecommunications Advisory Committee by U.S. President Barack Obama. Dr. Kennedy also currently serves on the board of directors for UL Inc, KLA-Tencor Corporation and Digital Realty Trust, L.P. He holds a B.S. in engineering from Lehigh University in Pennsylvania, as well as M.S. and Ph.D. degrees in engineering from Rutgers University.

Donald Colvin

Donald Colvin will serve as an independent director for Maxeon Solar's Board and Chairman of its Audit Committee. Mr. Colvin also serves as an independent director and chairman of the audit committee for UTAC Group in Singapore, Viavi Solutions and Agilysys. Mr. Colvin has served on other boards throughout his career, including as an independent director on the audit committee for Applied Micro Circuits Corporation and Isola and an advisory board member for Conexant Systems. Mr. Colvin was interim Chief Financial Officer for Isola during 2015 and 2016, appointed by their Board to restructure the company, and prior to this was Chief Financial Officer of Caesars Entertainment Corporation from November 2012 to January 2015. Mr. Colvin has also served as Chief Financial Officer for ON Semiconductor Corp., Amtel Corporation and European Silicon Structures. Mr. Colvin has also held a number of financial leadership positions for multinational companies. Mr. Colvin holds a B.A. in economics and an M.B.A. from the University of Strathclyde in Scotland.

Chee Keong Yap

Chee Keong Yap will serve as an independent director on Maxeon Solar's Board of Directors. Mr. Yap also serves as an independent director and chairman of the audit committee or audit & risk committee for Olam International, Sembcorp Industries, Shangri-La Asia, Certis Cisco Security, Ensign InfoSecurity and Mediacorp. Mr. Yap has served on other boards throughout his career, including the Accounting and Corporate Regulatory Authority, and he was a member of the Public Accountants Oversight Committee (a Board committee under ACRA). In addition to his board experience, Mr. Yap was the Executive Director of the Straits Trading Group and the Chief Financial Officer of the Singapore Power Group. He has also worked in various senior management roles in multinational and listed companies. Mr. Yap holds a Bachelor of Accountancy from the National University of Singapore and is a Fellow of the Institute of Singapore Chartered Accountants, a Fellow of CPA Australia and a Fellow of the Singapore Institute of Directors.

Rémi Bourgeois

Rémi Bourgeois will serve as a director designated by Total Solar INTL SAS (Total) on Maxeon Solar's Board of Directors. Mr. Bourgeois is the Chief Operating Officer of Total Renewables and has responsibility for the engineering, design, construction, performance, operations and maintenance for Total Renewables' 5GW of solar and wind projects in operation (as of June 2020). Previously, he was the Vice President of Operations for Total Solar and from 2012 to 2015, he was seconded to SunPower and was the Project Director for the largest photovoltaic facility in the United States (Solar Star, 747MWp). Mr. Bourgeois has also held various other technological and operational roles within Total Gas & Power. Prior to joining Total, he held various positions in Project Management and Tendering of conventional power plants at Alstom Power. Mr. Bourgeois has his Master's Degree in electrical engineering, with a specialization in energy systems, from Supélec.

Erick Chabanne

Erick Chabanne will serve as a director designated by Total Solar INTL SAS (Total) on Maxeon Solar's Board of Directors. Mr. Chabanne is the Vice President Corporate Affairs of Marketing & Services for Asia-Pacific & Middle East for Total, located in Singapore. He has held various positions within the Total Group since 1990 in the downstream division, including Chief Financial Officer in Cameroon and Kenya, Managing Director of the subsidiaries in Zambia and Réunion, Director of Safety/Health/Environment and Sustainable Development

for Africa and Middle East Division, Vice President Corporate Affairs of Totalgaz in France and Head of Department of Management Control for the Marketing & Services Division. Mr. Chabanne graduated with a Master of Business Administration from the University of Ottawa and E.S.L.S.C.A Business School

Lee Young

Lee Young will serve as a director designated by Total Solar INTL SAS (Total) on Maxeon Solar's Board of Directors. Since 2016, Mr. Young has been the Legal Director of Corporate Transactions for Total SA (mergers and acquisitions, project finance, corporate finance and anti-trust). He joined Total Group in 2003 and has served as the General Counsel and Company Secretary for Total UK (Refining & Marketing), on the management committee and the Board of Total UK. Mr. Young was also the Corporate Affairs Director for Rontec Investments LLP. He began his career in Investment Fund Management before qualifying as a Solicitor and remaining in private practice for several years, specializing in corporate law and litigation. Mr. Young graduated law from the universities of Manchester (LLB) and Westminster (LPC) and has been admitted to the roll of Solicitors in England & Wales since 2000.

SHEN Haoping

Mr. SHEN Haoping will serve as a director designated by Tianjin Zhonghuan Semiconductor Co., Ltd. (TZS) on Maxeon Solar's Board of Directors. He is the CEO of Tianjin Zhonghuan Electronics and Information (Group) Co., Ltd and Chairman and CEO of TZS. He was awarded the special allowance of the State Council and the 2015 National Model Worker. Mr. SHEN Haoping has many years of experience in the design and manufacture of semiconductor and photovoltaic mono silicon materials. He has presided over several national and provincial R&D projects, led the company to win the industry and government honors such as municipal science and technology progress award, China patent excellence award, national innovation-oriented enterprise and Forbes China potential enterprise. Under Mr. SHEN Haoping's leadership, the company built a world leading photovoltaic silicon ingot and wafer R&D, manufacture and sales capacity. He also served as General Manager and other leadership positions of Tianjin HuanOu Semiconductor Materials Technology Co., Ltd. Mr. SHEN Haoping received his Bachelor's Degree in semiconductor physics from Lanzhou University.

ZHANG Changxu

Ms. ZHANG Changxu will serve as a director designated by Tianjin Zhonghuan Semiconductor Co., Ltd. (TZS) on Maxeon Solar's Board of Directors. Ms. ZHANG Changxu is currently a Board Director and the Chief Operations Officer and Chief Financial Officer of Tianjin Zhonghuan Semiconductor Co., Ltd (TZS) and the Chairman of Huanshen Photovoltaic (Jiangsu) Co., Ltd. Previously, she served in various leadership roles for TZS, including as Chief Financial Officer of Inner Mongolia Zhonghuan Photovoltaic Material Co. Ltd., and CFO and General Manager of Tianjin Huanou Semiconductor Materials and Technology Co., Ltd. Ms. ZHANG has extensive experience in corporate management from her management roles in finance, sales and marketing, supply chain and comprehensive planning. She has a Master's Degree of software engineering from Tongji University and a Bachelor's Degree in business administration from Shanxi University of Finance and Economics.

WANG Yan

Mr. WANG Yan will serve as a director designated by Tianjin Zhonghuan Semiconductor Co., Ltd. (TZS) on Maxeon Solar's Board of Directors. Mr. WANG Yan is the Vice President of TZS and the CEO of Huansheng Photovoltaic (Jiangsu) Co., Ltd. Earlier in his career, he served as Chairman of Huanou International Silicon Material Co., Ltd., General Manager of Inner Mongolia Zhonghuan Photovoltaic Material Co., Ltd .Mr. WANG Yan received his Bachelor's Degree in information and electronic science from Tianjin University.

Senior Management

The following table sets forth information regarding our senior management as of the date of this Form 20-F. Jeffrey W. Waters will serve as our Chief Executive Officer.

Name	Age	Title
Joanne Solomon	54	Chief Financial Officer
Lindsey Roon Wiedmann	42	Chief Legal Officer
Markus Sickmoeller	53	Chief Operations Officer
Peter Aschenbrenner	65	Chief Strategy Officer

Biographies

Joanne Solomon, Chief Financial Officer

Joanne Solomon is our Chief Financial Officer. A seasoned executive with more than 30 years of experience, Ms. Solomon joined the company in January 2020 and in her role leads Maxeon Solar's global finance, planning, accounting and information technology organizations. Ms. Solomon most recently served since 2017 as CFO for Katerra Inc. Prior to this, she worked for 16 years at Amkor Technology, Inc., one of the world's largest providers of semiconductor packaging and test services, in various roles including CFO. Ms. Solomon began her career at Price Waterhouse. Ms. Solomon received her Master of Business Administration, International Management, from Thunderbird School of Global Management, and her Bachelor's Degree in Business Administration (Accounting and Finance) from Drexel University

Lindsey R. Wiedmann, Chief Legal Officer

Lindsey Wiedmann is our Chief Legal Officer and leads our global legal and sustainability teams. During her decade with SunPower, she has provided legal expertise in the areas of project finance and development, mergers and acquisitions, joint ventures, corporate governance, compliance, disputes and other significant matters in support of the residential, commercial and power plant business units globally with legal teams in France, Mexico and the United States. Ms. Wiedmann was also the lead SunPower attorney for 8point3 Energy Partners LP's initial public offering in 2015 and nearly three years of acquisitions and operational activity as a public company. Prior to joining SunPower, Ms. Wiedmann spent six years practicing project finance at Latham & Watkins LLP in San Francisco and Singapore. Ms. Wiedmann received her Bachelor of Science degree from University of California, San Diego and her Juris Doctor degree from Columbia Law School.

Markus Sickmoeller, Chief Operations Officer

Markus Sickmoeller is our Chief Operations Officer and is responsible for manufacturing, quality, supply chain, cell technology deployment and EHS globally. He joined SunPower in late 2015 to start the Maxeon 3 cell factory in the Philippines and took more operational responsibilities in the years leading to his role as head of operations for SunPower in July 2019. Markus joined SunPower from his role as Chief Operating Officer of Silicon Line GmbH in Germany. Before that Markus held positions in operations and research and development in the semiconductor industry for more than two decades with Siemens, Infineon and Qimonda in Germany, Malaysia and Taiwan having local and global responsibilities. Dr. Sickmoeller holds a Diploma degree (Master of Science equivalent) in Electrical Engineering from the University of Braunschweig, Germany and a Doctorate Title in Optoelectronics from the University of Ulm.

Peter Aschenbrenner, Chief Strategy Officer

Peter Aschenbrenner is our Chief Strategy Officer. Prior to Maxeon Solar he served as SunPower's Executive Vice President of Corporate Strategy and Business Development, responsible for driving the company's strategy, mergers and acquisition and business activities. Previously, he was the company's Vice President of Marketing and Sales, where he established the SunPower brand and oversaw development of the industry's first dealer network program. Prior to joining SunPower, Aschenbrenner served as Senior Vice President of Global Operations at AstroPower, Inc., a solar product manufacturing company. He has more than 40 years of solar industry experience, including management positions at Siemens Solar, PV Electric GmbH and ARCO Solar. Mr. Aschenbrenner graduated from Stanford University in 1978 with a Bachelor of Arts degree in product design.

6.B. COMPENSATION

Compensation

Because we are a newly incorporated entity, we have not previously provided any compensation to our directors or senior management. Upon the consummation of the spin-off, we expect that a portion of the compensation paid to our directors and senior management will be equity-based.

For further information on the share ownership of our senior management, see "Item 6.E. Share Ownership."

Under Singapore law, our shareholders must approve any fees paid to non-employee directors. Our directors may approve the remuneration of directors holding executive office.

Following the spin-off, we will pay our directors compensation for serving as directors, including per meeting fees. For the fiscal year ended December 29, 2019, the aggregate compensation paid by SunPower or otherwise accrued (comprising remuneration and the aggregate fair market value of equity awards granted) to our directors and executive officers was approximately $8.0 million. In addition, during the fiscal year ended December 29, 2019, SunPower set aside or accrued approximately $1.6 million relating to pension, retirement or similar benefits in respect of our directors and executive officers.

Equity Incentive Plan

In connection with the spin-off, we will adopt or continue in effect benefit plans, including the Maxeon Solar Incentive Plan. For further information, see "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us—Employee Matters Agreement."

6.C. BOARD PRACTICES

General

The composition of the Maxeon Solar Board and committees of the Maxeon Solar Board will be governed by our Constitution, together with the Shareholders Agreement upon consummation of the spin-off.

Composition of the Maxeon Solar Board

Following the spin-off, the Maxeon Solar Board will consist of 10 directors, including three Total designees, three TZS designees, three independent directors and our Chief Executive Officer. An independent director will be elected by the Maxeon Solar Board to serve as the chairman of the Maxeon Solar Board. The chairman will be entitled to a casting vote in the case of an equality of votes.

The Shareholders Agreement includes provisions adjusting the rights of each of Total and TZS to designate a particular number of directors depending on changes in their share ownership, including a provision allowing either shareholder, if they acquire at least 50% of our shares, to designate a majority of the directors. Each of Total and TZS will lose the right to designate any directors if they hold less than 10% of our outstanding shares.

Committees of the Maxeon Solar Board

So long as Total or TZS have the right to designate at least one director to the Maxeon Solar Board, each committee of the Maxeon Solar Board will contain a board designee of such shareholder. If the other shareholder also has a right to designate at least one director, then the number of appointees to each committee for each shareholder shall be equal. All committees will have at least two independent directors and the Audit Committee will be composed entirely of independent directors.

The Maxeon Solar Board will delegate certain of its responsibilities to the following committees: an Audit Committee, a Compensation Committee, a Coordination Committee, and a Nominating and Corporate Governance Committee, the purpose and responsibilities of each which are described further below.

Audit Committee

The purpose of the Audit Committee will primarily be to:

- oversee our accounting and financial reporting processes;
- oversee the audit of our financial statements and internal controls by our independent public registered accounting firm;
- assist the Maxeon Solar Board in the oversight of our compliance with legal and regulatory requirements and performance of the internal audit function;
- oversee management's identification, evaluation, and mitigation of major risks to us; and
- provide to the Maxeon Solar Board such information as it may deem necessary to make the Maxeon Solar Board aware of the financial matters requiring its attention.

Compensation Committee

The purpose of the Compensation Committee will primarily be to:

- implement, review and modify the compensation of the Maxeon Solar Board and senior management;
- oversee our compensation philosophy; and
- administer our equity incentive plans.

Coordination Committee

The purpose of the Coordination Committee will primarily be to discuss our business opportunities and our performance against targets set forth in our approved annual budget.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee will primarily be to:

- select and recommend candidates for members of the Maxeon Solar Board; and
- evaluate whether incumbent directors should be nominated for re-election to the Maxeon Solar Board upon expiration of such directors' terms.

Certain Board Practices and Requirements

Except by an ordinary resolution of the shareholders (which may be general or specific to a transaction or contractual arrangement), a director and the chief executive officer (or person(s) holding an equivalent position), are not permitted to vote in respect of any contract or proposed contract or arrangement with us in which he or she has directly or indirectly a personal material interest and if he or she does so his or her vote will not be counted nor, except where present in the capacity of a proxy, will he or she be counted in the quorum present at the meeting. Neither of these prohibitions will apply to: (i) any arrangement for giving any director or chief executive officer (or person(s) holding an equivalent position) any security or indemnity in respect of money lent by him or her to or obligations undertaken by him or her for the benefit of our company, (ii) any arrangement for the giving by our company of any security to a third party in respect of a debtor obligation of our company for which the director or chief executive officer (or person(s) holding an equivalent position) himself or herself has assumed responsibility in whole or in part under a guarantee or indemnity by the deposit of security or (iii) any contract by a director or chief executive officer (or person(s) holding an equivalent position) to subscribe for or underwrite shares or debentures of our company.

We may make a loan or quasi-loan or enter into a credit transaction and related arrangement involving another company or entity connected to the director(s) only if there is prior shareholders' approval and if the interested director(s) and any family members abstain from voting on the approval.

There is no age limit requirement for directors to retire, nor is there any minimum number of Maxeon Solar shares that a director is required to hold.

Corporate Governance Differences

The NASDAQ allows a FPI, such as Maxeon Solar, to follow its home country practices in lieu of certain NASDAQ corporate governance standards. We expect to rely on these exemptions, which are described below:

- We expect to rely on an exemption from the requirement that a majority of the Maxeon Solar Board be "independent" as defined by the NASDAQ rules.
- We expect to rely on an exemption from the requirement that an issuer provide for a quorum as specified in its bylaws for any meeting of the holders of ordinary shares, which quorum may not be less than 33 1/3% of the outstanding shares of an issuer's voting ordinary shares. In compliance with Singapore law, our Constitution provides that two members of Maxeon Solar present shall constitute a quorum for a general meeting.
- We expect to rely on an exemption from the requirement that all members of our Compensation Committee be "independent" as defined in the NASDAQ rules. While the Maxeon Solar Board will establish a Compensation Committee, Singapore law does not require us to maintain such a committee. Similarly, Singapore law does not require that we disclose information regarding third-party compensation of our directors or director nominees.
- We expect to rely on an exemption from the requirement that our Nominating and Corporate Governance Committee be "independent" as defined in the NASDAQ rules. Singapore law does not require a Nominating and Corporate Governance Committee to be comprised entirely of independent directors, and nominations of persons for election to the Maxeon Solar Board will be recommended by our Nominating and Corporate Governance Committee whose members are not all independent directors as defined by the NASDAQ rules.
- We expect to rely on an exemption from the requirement that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, changes of controls or private placements of securities, or the establishment or amendment of certain stock option, purchase or other compensation plans. Under Singapore law, new shares may be issued only with the prior approval of our shareholders in a general meeting. Approval, if granted, shall continue in force until the earlier of:
  - the conclusion of the next annual general meeting after the date on which the approval was given; and
  - the expiration of the period within which the next annual general meeting after that date is required by law to be held.

  Any approval may be previously revoked by the company in a general meeting.

Code of Conduct and Business Ethics

Prior to the spin-off, the Maxeon Solar Board will adopt a written Code of Business Conduct and Ethics reinforcing our guiding principles to act with the highest level of integrity and ethical standards and setting forth our expectations regarding personal and corporate conduct for all of our directors, officers, employees and representatives.

6.D. EMPLOYEES

The table below sets forth the breakdown of the total year-end number of our full-time equivalent employees by main category of activity for the past three years.

	For the year ended		
	December 29, 2019	December 30, 2018	December 31, 2017
	(full-time equivalents)		
Marketing & Sales	90	96	133
Production & Supply	4,816	4,521	5,274
Research & Development	178	175	171
General & Administrative	110	110	139
Total	**5,194**	**4,902**	**5,717**

The table below sets forth the breakdown of the total year-end number of our full-time equivalent employees by geography for the past three years.

	For the year ended		
	December 29, 2019	December 30, 2018	December 31, 2017
	(full-time equivalents)		
Australia	16	11	11
Belgium	3	4	2
Chile	—	2	8
China	25	28	27
France	127	161	197
Germany	4	3	3
Italy	9	7	8
Japan	11	14	12
Malaysia	1,611	1,443	1,583
Mexico	2,042	1,627	2,352
Morocco	1	2	2
Netherlands	3	1	1
Philippines	1,176	1,168	1,251
Singapore	3	3	2
South Africa	—	3	10
Switzerland	7	9	9
Turkey	—	1	1
United Kingdom	3	4	3
United States	153	411	235
Total	5,194	4,902	5,717

Although in certain countries we have works councils and statutory employee representation obligations, our employees are generally not represented by labor unions on an ongoing basis. We have never experienced a work stoppage, and we believe our relations with our employees to be good.

6.E. SHARE OWNERSHIP

The following sets forth the total amount of SunPower shares directly or indirectly owned by Maxeon Solar's current directors and executive officers based on 170,037,744 SunPower shares outstanding as of May 24, 2020.

Holder	SunPower Shares	Percentage Ownership
Jeffrey W. Waters	105,818	*
Kevin Kennedy	—	*
Donald Colvin	—	*
Chee Keong Yap	—	*
Rémi Bourgeois	—	*
Erick Chabanne	—	*
Lee Young	—	*
SHEN Haoping	—	*
ZHANG Changxu	—	*
WANG Yan	—	*
Joanne Solomon	—	*
Lindsey Roon Wiedmann	21,562	*
Markus Sickmoeller	63,400	*
Peter Aschenbrenner	153,288	*

* Less than 1%

All of the Maxeon Solar shares are currently held by SunPower. In the spin-off, each SunPower shareholder will receive one Maxeon Solar share for every eight SunPower shares they held as of the record date for the distribution. Accordingly, following the spin-off, each director and executive officer would own the following number of Maxeon Solar shares.

Holder	Maxeon Solar Shares	Percentage Ownership
Jeffrey W. Waters	13,227	*
Kevin Kennedy	—	*
Donald Colvin	—	*
Chee Keong Yap	—	*
Rémi Bourgeois	—	*
Erick Chabanne	—	*
Lee Young	—	*
SHEN Haoping	—	*
ZHANG Changxu	—	*
WANG Yan	—	*
Joanne Solomon	—	*
Lindsey Roon Wiedmann	2,695	*
Markus Sickmoeller	7,925	*
Peter Aschenbrenner	19,161	*

* Less than 1%

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. MAJOR SHAREHOLDERS

The information below describes the beneficial ownership of our shares prior to and immediately after completion of the spin-off by each person or entity that we know beneficially owns or immediately following the spin-off will (based on the assumptions described below), beneficially own 5% or more of our shares.

We based the share amounts on such person's beneficial ownership of SunPower shares on April 30, 2020 according to the SunPower share register and certain ownership disclosure notifications received by SunPower, giving effect to a distribution ratio of one Maxeon Solar share for every eight SunPower shares held by such person as of the close of business on , 2020, the record date for the spin-off. Following the spin-off but prior to the TZS Investment, we estimate that approximately 21,254,718 Maxeon Solar shares will be issued and outstanding.

Holder	SunPower Shares	Percentage Ownership	Maxeon Solar Shares	Percentage Ownership(1)
Total(2)	87,667,645	51.56%	10,958,455	51.56%
Wellington Management Group LLP(3)	12,413,023	7.30%	1,551,627	7.30%
The Vanguard Group(4)	10,759,225	6.32%	1,344,903	6.32%

(1) Immediately following the separation and the distribution, TZS will contribute $298.0 million to Maxeon Solar in exchange for a number of ordinary shares of Maxeon Solar such that, after such issuance, TZS will own approximately 28.848% of the outstanding ordinary shares of Maxeon Solar.

(2) Based on the information contained in an Amendment No. 15 to Schedule 13D filed with the SEC on April 15, 2020 by Total S.A. Total Solar INTL SAS is an indirect wholly owned subsidiary of Total Gaz Electricité Holdings France SAS, which is an indirect wholly owned subsidiary of Total S.A., as well as subsequent filings under Section 16(a) of the Exchange Act. Does not include 7,245,055 shares of SunPower's common stock issuable upon SunPower's convertible debentures. Each of Total S.A., Total Gaz Electricité Holdings France SAS and Total Solar INTL SAS have shared voting and dispositive power over the shares of SunPower's common stock.

(3) Based on the information contained in a Schedule 13G filed with the SEC on January 28, 2020 by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP, and Wellington Management Company LLP. Wellington Management Group LLP, Wellington Group Holdings LLP, and Wellington Investment Advisors Holdings LLP have shared voting power over 11,142,621 shares of SunPower's common stock and has shared dispositive power over 12,413,023 shares of SunPower's common stock. Wellington Management Company LLP has shared voting power of 10,657,268 shares of SunPower's common stock and shared dispositive power of 11,390,517 shares of SunPower's common stock. Wellington Management Group LLP is the parent holding company of certain holding companies and the Wellington Investment Advisers. The securities reported on the Schedule 13G are owned of record by clients of the Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP controls directly, or indirectly through Wellington Management Global Holdings, Ltd., the Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP is owned by Wellington Group Holdings LLP. Wellington Group Holdings LLP is owned by Wellington Management Group LLP.

(4) Based on the information contained in a Schedule 13G filed with the SEC on February 11, 2020 by The Vanguard Group. The Vanguard Group has sole voting power over 65,916 shares of SunPower's common stock, shared voting power over 5,746 shares of SunPower's common stock, sole dispositive power over 10,696,823 shares of SunPower's common stock and shared dispositive power over 62,402 shares of SunPower's common stock. Vanguard Fiduciary Trust Company ("VFTC"), a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 56,656 shares of SunPower's common stock as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. ("VIA"), a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 15,006 shares of SunPower's common stock as a result of its serving as investment manager of Australian investment offerings.

To the extent our directors, officers and employees own SunPower shares as of the close of business on the record date, they will participate in the spin-off on the same terms as other holders of SunPower shares.

Except as otherwise noted, each person or entity identified above (including nominees) has sole voting and investment or dispositive power with respect to the securities they hold. SunPower major shareholders do not have different voting rights from other shareholders.

Prior to the spin-off, 100% of our issued share capital is owned by SunPower.

As of May 24, 2020, based on the SunPower share register and excluding treasury shares, approximately 42% of our outstanding shares are expected to be held of record by residents of the United States immediately following the spin-off and investment.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that such person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

We are not aware of any arrangement that may, at a subsequent date, result in a change of our control.

7.B. RELATED PARTY TRANSACTIONS

Agreements Between SunPower and Us

Following the spin-off, we and SunPower will operate separately, each as an independent public company. On November 8, 2019, we entered into a Separation and Distribution Agreement with SunPower related to the separation and distribution, and we intend to enter into several other agreements with SunPower prior to completion of the spin-off to effect the separation and provide a framework for our relationship with SunPower after the spin-off. These agreements will govern the relationships between SunPower and us subsequent to the completion of the spin-off and will provide for the separation of the assets, employees, liabilities and obligations (including investments, property and employee benefits and tax liabilities) of SunPower and its subsidiaries that constitute the Maxeon Business and are attributable to periods prior to, at and after the separation. In addition to the Separation and Distribution Agreement (which contains many of the key provisions related to our separation from SunPower and the distribution of our shares to holders of SunPower shares), these agreements include:

- a Tax Matters Agreement;
- an Employee Matters Agreement;
- a Transition Services Agreement;
- a Supply Agreement;
- a Back-to-Back Agreement;
- a Brand Framework Agreement;
- a Cross License Agreement;
- a Collaboration Agreement; and
- a promissory note in the aggregate principal amount of $100.0 million.

The material agreements described below have been filed as exhibits to this Form 20-F and the summaries below set forth the terms of the agreements that we believe are material. These summaries are qualified in their entireties by reference to the full text of the applicable agreements, which are incorporated by reference into this Form 20-F.

The terms of the agreements described below that will be in effect following the spin-off have not yet been finalized. Changes to these agreements, some of which may be material, may be made prior to the spin-off.

In addition, we intend to enter into other agreements with SunPower prior to the completion of the spin-off that are not material to our business. These agreements include agreements relating to information sharing and access rights, data transfer, confidentiality and systems access, transfer of marketing authorizations, certain manufacturing quality control matters, certain leases to SunPower and certain transitional distribution and other services matters, including shared premises services, as well as a third party claims and investigations management agreement. Certain terms of the third party claims and investigations management agreement are also summarized below.

Separation and Distribution Agreement

On November 8, 2019, we entered into the Separation and Distribution Agreement with SunPower. The Separation and Distribution Agreement sets forth our agreements with SunPower regarding the principal actions to be taken in connection with the separation and distribution.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement identifies the assets to be transferred, liabilities to be assumed and contracts to be assigned to each of us and SunPower as part of the Internal Transactions to be effected prior to the distribution, the purpose of which is to ensure that, as at the time of the distribution, each of us and SunPower holds the assets which it requires to operate, in our case, the Maxeon Business and, in the case of SunPower, the businesses retained by SunPower, and retains or assumes (as applicable) liabilities, including pending and future claims, which primarily relate to such business or such assets (whether arising prior to, at or after the date of execution of the Separation and Distribution Agreement).

The Separation and Distribution Agreement provides for when and how such transfers, assumptions and assignments will occur (to the extent that such transfers, assumptions and assignments have not already occurred prior to the parties' entry into the Separation and Distribution Agreement). The Separation and Distribution Agreement further sets forth the basis on which individual assets and liabilities (or any part thereof), the transfer of which is subject to a third party consent or notification which has not been obtained or if the transfer thereof cannot for regulatory reasons occur by the date on which implementation of the separation occurs in the relevant jurisdiction, will continue to be held by the relevant transferor for the use, benefit or burden of, and at the cost of, the relevant transferee.

Conditions. The Separation and Distribution Agreement also provides that several conditions must be satisfied, or waived by SunPower, subject to SunPower's obligations under the Investment Agreement, before the spin-off can occur. For further information about these conditions, see "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Conditions to the Spin-Off."

The Distribution. The Separation and Distribution Agreement governs the rights and obligations of the parties with respect to the distribution and certain actions that must occur prior to the distribution. SunPower will have sole and absolute discretion, but subject to and in accordance with the Investment Agreement, to determine whether, when and on what basis to proceed with all or part of the distribution. On the distribution date, SunPower will distribute to its shareholders that hold SunPower common stock as of the record date all of our issued and outstanding shares on a pro rata basis.

Maxeon Solar Transfer. We and SunPower will effect the internal restructuring and the transfer of assets as contemplated in the Separation and Distribution Agreement. As consideration for the contribution of the assets (including the entities to be transferred pursuant to the internal restructuring), immediately prior to the distribution, we will (i) issue to SunPower a number of our shares equal to (a) the number of SunPower shares outstanding on the record date multiplied by the distribution ratio to be determined by SunPower's board of directors *less* (b) the number of shares outstanding immediately prior to such issuance of our shares to SunPower,

(ii) assume liabilities relating to the Maxeon Business or our assets, (iii) cause one of our subsidiaries to issue an intercompany note to SunPower in exchange for certain intangible property, and (iv) distribute to SunPower certain intercompany accounts receivable. Prior to the distribution, we will enter into definitive agreements with respect to the financings contemplated under the Investment Agreement. After the investment is made under the Investment Agreement, we will pay the amount owed to SunPower pursuant to the intercompany note. To the extent any of the foregoing transactions is not tax efficient, we and SunPower will reasonably cooperate to change, reform or otherwise modify such transaction as necessary to achieve greater tax efficiency.

Intercompany Arrangements. All agreements, arrangements, commitments and understandings, including most intercompany accounts payable or accounts receivable, between us, on the one hand, and SunPower, on the other hand, will terminate effective as of completion of the separation, except specified agreements and arrangements that are intended to survive completion of the separation that are either transactional in nature or at arms' length terms, including the Separation and Distribution Agreement and the Ancillary Agreements.

Representations and Warranties. We and SunPower each provide customary representations and warranties as to our respective capacity to enter into the Separation and Distribution Agreement. Except as expressly set forth in the Separation and Distribution Agreement, Investment Agreement or any Ancillary Agreement, neither we nor SunPower will make any representation or warranty as to the assets, business or liabilities transferred or assumed as part of the separation, or as to the legal sufficiency of any assignment, document or instrument delivered to convey title to any asset or thing of value to be transferred in connection with the separation. Except as expressly set forth in the Separation and Distribution Agreement and the Ancillary Agreements, all assets will be transferred on an "as is," "where is" basis.

Indemnification. We and SunPower each agree to indemnify the other and each of the other's affiliates and past, present, or future directors, officers, agents and employees and each of the heirs, executors, successors and assigns of any of the foregoing against certain liabilities incurred in connection with the spin-off and our and SunPower's respective businesses. The amount of either SunPower or our indemnification obligations will be reduced by any insurance proceeds the party being indemnified receives or other amounts actually recovered (including pursuant to any indemnity from a third party).

Release of Claims. We and SunPower each agree to release the other and its affiliates, successors and assigns, and all persons that prior to completion of the spin-off have been the shareholders, directors, officers, agents or employees of the other or its affiliates, and their respective heirs, executors, administrators, successors and assigns, from any claims against any of them that arise out of or relate to liabilities arising from (i) the transactions and activities to implement the separation and distribution, and (ii) our respective businesses or liabilities. These releases will be subject to limited exceptions set forth in the Separation and Distribution Agreement.

Management of Certain Litigation Matters. Subject to certain exceptions, we will direct the defense of any litigation or claims that constitute only our liabilities or our assets. SunPower will direct the defense of any litigation or claims that constitute only SunPower liabilities or SunPower assets and certain actions specified at the time of signing the Separation and Distribution Agreement. In the case of any litigation or claim that constitutes only our liabilities or our assets, but SunPower or an affiliate is named as a party thereto, we will use commercially reasonable efforts to have SunPower or such SunPower affiliate removed as a party. In the case of any litigation or claim that constitutes only SunPower liabilities or SunPower assets, but we or an affiliate are named as a party thereto, SunPower will use commercially reasonable efforts to have us or such affiliate removed as a party. We and SunPower will jointly manage (whether as co-defendants or as co-plaintiffs) any litigation or claims that constitute both our liability and a SunPower liability or both our assets and SunPower's assets.

Dispute Resolution. For any disputes between us and SunPower arising out of the Separation and Distribution Agreement or the Ancillary Agreements, we and SunPower will attempt in good faith to negotiate a

resolution of the dispute within 30 days of written notice of such dispute. If we and SunPower are unable to resolve the dispute within 30 days, then the dispute will be referred to and finally resolved by binding arbitration. However, we or SunPower may seek preliminary or injunctive relief from a court without first complying with the dispute resolution procedures if such action is reasonably necessary to avoid irreparable damage.

Term / Termination. Prior to the distribution, SunPower will have the unilateral right to terminate the Separation and Distribution Agreement and all Ancillary Agreements at any time following the termination of the Investment Agreement in accordance with its terms without our approval or consent. The Separation and Distribution Agreement may not be terminated following the completion of the distribution unless the parties mutually agree in writing to terminate it.

Expenses. The Separation and Distribution Agreement generally provides that all pre-separation transaction expenses are to be borne by SunPower, except that we will pay SunPower an amount equal to $25.0 million for reimbursement in respect of a portion of the transaction expenses, which payment will be made 30 days after the distribution date (or if not a business day, the next business day).

Other Matters Governed by the Separation and Distribution Agreement. Other matters governed by the Separation and Distribution Agreement include, without limitation, insurance arrangements, confidentiality, further assurances, treatment of outstanding guarantees and similar credit support, and access to and provision of certain books and records

Tax Matters Agreement

The Company and SunPower will enter into a tax matters agreement under which we and SunPower, respectively, will each be obligated to pay any taxes shown on any return required to be filed by any member of its post-spin group. Each party to the tax matters agreement will also prepare those tax returns that are required to be prepared by members of its respective post-spin group. Both parties indemnify each other under this agreement for any action or inaction that causes the distribution of Company stock to fail to qualify as tax-free to SunPower shareholders. Both parties agree generally to cooperate in preparing and filing tax returns, and will retain and make available tax records to the other party. Contests with taxing authorities are controlled by whichever of the Company or SunPower bears the potential liability for the contested tax. SunPower will control tax contests relating to a failure of the spin-off distribution to qualify as tax-free to SunPower shareholders. Disputes among the parties to the Tax Matters Agreement will be referred to independent tax counsel.

Employee Matters Agreement

On the date of the spin-off, we will enter into an employee matters agreement (the “Employee Matters Agreement”) with SunPower which will set forth our agreements with SunPower regarding the allocation of liabilities and responsibilities with respect to employees, employment matters, compensation, benefit plans, and other related matters in connection with the separation and distribution.

Allocation of Employment Liabilities. The general principle for the allocation of employment-related liabilities will be that (i) we will assume all such liabilities relating to our employees and former employees of the SunPower Group (as defined in the Employee Matters Agreement) who worked wholly or substantially in the Maxeon Business as of the date immediately prior to the termination of their employment (“former Maxeon Solar Technologies employees”) and (ii) SunPower will retain all such liabilities relating to all other current and former employees of the SunPower Group, in each case, regardless of when such liabilities arise.

Terms and Conditions of Maxeon Solar Employees. We will cooperate in good faith with SunPower to identify our employees, and we will indemnify SunPower for any liabilities (including severance) relating to the transfer of employment to Maxeon Solar, the termination of any our employees following the distribution date, and any other liabilities assumed by us under the Employee Matters Agreement. As of the distribution date, we

will provide each of our current employees (i) base salary at the same rate as provided immediately prior to the distribution date (ii) cash incentive opportunities no less favorable than those offered to such employee immediately prior to the distribution date, and (iii) benefits under our benefit plans that in the aggregate are no less favorable than those offered to such employee immediately prior to the distribution date, in each case, unless more favorable terms are required under applicable law, a collective bargaining agreement or an employment agreement. Prior to and for a period of twelve months following the distribution date, if it is determined that it is in the mutual best interests of the parties to transfer either an individual classified as a SunPower employee to us, or an individual classified as one of our employees to SunPower, then the parties will use commercially reasonable efforts to ensure that such employees are transferred accordingly, and such subsequently transferring employees will continue to be classified as either SunPower employees or our employees, as applicable, until the date of such transfer.

Employee Benefit and Bonus Plans. As of the distribution date, we will adopt or continue in effect our benefit plans that were in effect prior to the distribution date, including a new equity incentive plan (the "Maxeon Solar Incentive Plan"), which will be adopted prior to the distribution date. We will be responsible for all cash bonus payments to our employees for which the payment date occurs on or after the distribution date and any restricted cash awards granted to one of our employees that is outstanding on the distribution date.

Collective Bargaining Agreements. As of the distribution date, we will retain or assume each collective bargaining agreement covering any of our employees and will assume all liabilities arising under such collective bargaining agreements.

Severance and Unemployment Compensation. As of the distribution date, we will retain or assume all severance and unemployment compensation liabilities relating to our employees or former Maxeon Solar employees, or reimburse SunPower for any such expenses it incurs in connection with the separation.

Incentive Equity Awards. We will adopt the Maxeon Solar Incentive Plan prior to the distribution date. As of the distribution date, outstanding SunPower incentive equity awards, both inside and outside of the United States, will be separated into either (1) adjusted awards over SunPower common stock for those employees who will remain with SunPower, or (2) converted and adjusted awards over our common stock, granted pursuant to the Maxeon Solar Incentive Plan, for those employees who will remain with us following the separation and distribution.

Transition Services Agreement

On the date of the spin-off, we will enter into a transition services agreement (the "Transition Services Agreement") with SunPower under which we and SunPower will provide and/or make available various administrative services and assets to each other, expected to be a period of one year beginning on the date of the spin-off with an option to extend for up to an additional 180 days by mutual written agreement of us and SunPower. Services to be provided by SunPower to us will include certain services related to finance, accounting, business technology, human resources information systems, human resources, facilities, document management and record retention, relationship and strategy management and module operations, technical and quality support. Services to be provided by us to SunPower will include certain services related to finance, accounting, information technology, human resources information systems, human resources, document management and record retention, supply chain and operational planning and module operations. In consideration for such services, we and SunPower will each pay fees to the other for the services provided, and those fees will generally be in amounts intended to allow the party providing services to recover all of its direct and indirect costs incurred in providing those services, plus a standard markup, and subject to a 25% increase following an extension of the initial term (unless otherwise mutually agreed to by us and SunPower). The personnel performing services under the Transition Services Agreement will be employees and/or independent contractors of the party providing the service and will not be under the direction or control of the party to whom the service is being provided. Subject to certain exceptions, the liability of each party under the Transition Services

Agreement for the services it provides will generally be limited to the aggregate fees paid or payable to such party in connection with the provision of such services. The Transition Services Agreement also provides that the provider of a service will not be liable to the recipient of such service for any special, indirect, punitive, incidental, or consequential damage, including loss of profits, diminution in value, business interruptions, and claims of customers. The Transition Services Agreement will also contain customary mutual indemnification provisions.

Supply Agreement

On the date of the spin-off, we will enter into a supply agreement (the "Supply Agreement") with SunPower that reflects arms' length negotiations. Under the Supply Agreement, SunPower will purchase from us, and we will sell to SunPower, certain designated products for use in residential and commercial solar applications in the Domestic Territory.

The Supply Agreement will have a two-year term, subject to customary early termination provisions triggered by a breach of the other party (with or without the right to cure depending on the breach) and insolvency events affecting the other party. In addition, the parties must attempt to negotiate an extension or replacement of the supply agreement prior to the end of the initial term, but neither party is obligated to agree to any such extension or replacement.

Under the Supply Agreement, SunPower will be required to purchase, and we will be required to supply, certain minimum volumes of products during each calendar quarter of the term. For the remainder of 2020, the minimum volumes will be specifically enumerated for different types of products, and for each subsequent period, the minimum volumes will be established based on SunPower's forecasted requirements. The parties will be subject to reciprocal penalties for failing to purchase or supply, as applicable, the minimum product volumes.

The Supply Agreement will also include reciprocal exclusivity provisions that, subject to certain exceptions, will prohibit SunPower from purchasing the products (or competing products) from anyone other than us, and will prohibit us from selling such products to anyone other than SunPower. The exclusivity provisions only relate to products for the Domestic Territory. For products designated for installation on a residence or by a third party for the exclusive use of a specific customer, the exclusivity provisions will last for two years (or the entire initial term). For products designated for other applications (including multiple-user, community solar products), the exclusivity provisions will last for one year. The exclusivity provisions will not apply to off-grid applications, certain portable or mobile small-scale applications (including applications where solar cells are integrated into consumer products), or power plant, front-of-the-meter applications where the electricity generated is sold to a utility or other reseller. Additionally, the Supply Agreement will contain reciprocal non-solicitation provisions with respect to certain of each party's employees, including those employees who have access to certain confidential information.

The purchase price for each product, subject to certain adjustments, will be fixed for 2020 and 2021 based on the power output (in watts) of the relevant product. For subsequent periods, the purchase price will be set based on a formula and fixed for the covered period, subject to the same adjustments.

Back-to-Back Agreement

Together with certain of SunPower's affiliated companies, SunPower is party to various supply agreements (collectively, the "Hemlock Agreements") with Hemlock Semiconductor Operations LLC (f/k/a Hemlock Semiconductor Corporation) and its affiliate, Hemlock Semiconductor, LLC. Under the Separation and Distribution Agreement, SunPower will enter into an agreement (the "Back-to-Back Agreement") on the distribution date pursuant to which we will effectively receive SunPower's rights under the Hemlock Agreements (including SunPower's deposits and advanced payments thereunder) and, in return, we will agree to perform all

of SunPower's existing and future obligations under the Hemlock Agreements (including all take-or-pay obligations). The Back-to-Back Agreement is not intended as a formal assignment or transfer of any Hemlock Agreement (or any portion thereof).

Under the Back-to-Back Agreement, we will agree to indemnify SunPower and its affiliates and its and their past, present, or future directors, officers, agents and employees and each of the heirs, executors, successors and assigns of any of the foregoing for any liabilities arising out of our failure to perform all existing and future obligations under the Hemlock Agreements. If we are obligated to indemnify SunPower under the Back-to-Back Agreement, SunPower will be entitled to set off its damages against any amounts that SunPower or any of its affiliated companies, on the one hand, owe to us or any of our affiliated companies, on the other hand (including, but not limited to, under any of the Ancillary Agreements). In addition, under certain circumstances, we will be required to support our potential indemnification obligations under the Back-to-Back Agreement by providing SunPower with reasonably acceptable financial assurances or collateral to cover SunPower's estimated market exposure.

The Back-to-Back Agreement is governed by California law. Any litigation arising between us and SunPower in connection with the Back-to-Back Agreement must take place in the state or federal courts of California.

Brand Framework Agreement

On the date of the spin-off, we will enter into a brand framework agreement (the "Brand License Agreement") with SunPower under which SunPower will assign to us the "MAXEON" trademarks (and corresponding domain names) and the non-U.S. "SUNPOWER" trademarks. SunPower will retain ownership of its SUNPOWER trademarks in the United States. The agreement will include reciprocal licenses. SunPower will exclusively license to us and our affiliates, on a royalty-free basis, the right to use the SUNPOWER trademarks in U.S. territories, and in the United States if authorized by SunPower or if such products are manufactured by SunPower prior to the effective date of the spin-off, on hardware or components needed for solar energy system installation and services using solar energy systems. We will non-exclusively license to SunPower and its affiliates the right to use the SUNPOWER trademarks in Canada on the same hardware, components and services. The agreement will restrict each party from selling its SUNPOWER trademarks to a third party unless otherwise agreed by the parties. SunPower will be prohibited from using any SUNPOWER trademarks on solar panels not supplied by us or made by SunPower for a three-year period (contemplated to be January 1, 2022 through December 31, 2024), subject to specified exceptions. If either party intends to stop using the SUNPOWER trademarks (or the MAXEON trademarks for us), then the party must offer to transfer its rights under such trademarks to the other party at no charge. The agreement will continue, with respect to certain market segments, until the third anniversary of the expiration of the segments' exclusivity period and, with respect to certain other intellectual property rights, unless the parties mutually agree to terminate it.

Cross License Agreement

On the date of the spin-off, we will enter into a cross license agreement (the "Cross License Agreement") with SunPower under which SunPower will grant to us and our affiliates (i) an exclusive license to certain of SunPower's existing intellectual property to manufacture, use and sell products and services, to enforce such intellectual property rights against third parties, and to recover damages for past, current and future infringements, and (ii) a non-exclusive license to the remainder of SunPower's existing intellectual property (and improvements created by SunPower), for a number of purposes, including to operate the manufacturing facilities transferred to us and selling existing Maxeon panels and shingled panels configured for residential, commercial and utility scale applications, existing Maxeon solar cells, certain specialty products and other solar cells or solar module products expected to be manufactured by us as of the date of the agreement ("Maxeon Products"). The agreement will contain certain application-limitations that will apply to our ability to sell the Maxeon Products for two years. The agreement will also provide that we will grant SunPower and its affiliates a non-exclusive license to the intellectual property (excluding trademarks) that has been transferred to us or exclusively licensed to us by SunPower for a number of purposes, including to manufacture and sell Maxeon Products in the United States and Canada, for research and development, and commencing on termination of the Supply Agreement between the parties, to sell outside of the United States and Canada shingled panels manufactured at SunPower's Hillsboro, Oregon facility. The agreement will restrict SunPower, for three years, from licensing to any third party the intellectual property

SunPower has non-exclusively licensed to us for purposes of manufacturing the Maxeon Products. The agreement will continue unless the parties mutually agree to terminate it.

Collaboration Agreement

On the date of the spin-off, we will enter into a collaboration agreement (the "Collaboration Agreement") with SunPower that will provide a framework for the development of Maxeon 7 and any other products that are agreed to by the parties. Each project that will occur under the agreement will be governed by written plans that will be agreed to by the parties. These plans will include agreed-upon budgets, cost allocations and resource responsibilities of the parties and will last a maximum of two years. Both parties will have the sole right to manufacture the products developed under the agreement within the 50 states of the United States, the District of Columbia and Canada ("Collaboration Territory"). We will have the exclusive right to manufacture the products outside of the Collaboration Territory. For a period that will not be longer than two years ("Exclusivity Period"), SunPower will have the exclusive right to sell, and we will have the exclusive right to supply, the developed products in specified markets. For one year after the Exclusivity Period, neither party will be permitted to enter into an exclusive supply relationship with a third party for the developed products within those markets. In addition, after the Exclusivity Period, if either party intends to enter into a supply agreement for any developed products, the other party has a right of first offer or refusal. Any new intellectual property arising from the agreement will be owned by us, subject to a sole license to SunPower within the Collaboration Territory during the Exclusivity Period, and which will become non-exclusive after the Exclusivity Period.

Agreements Between Us and TZS and/or Total in Connection with TZS Investment

Investment Agreement

Under the terms of the Investment Agreement, immediately after the completion of the distribution, TZS will pay us $298.0 million for newly issued Maxeon Solar shares, which shares will represent approximately 28.848% of our shares after giving effect to the spin-off and the investment.

Other Transactions

The Investment Agreement contemplates that the transactions described below will be effected in the order set forth below.

Transfer to Maxeon Solar. Upon the terms and conditions set forth in the Separation and Distribution Agreement, we and SunPower will effect (A) the Internal Transactions steps set forth on Schedule 1.1(a) of the schedules to the Separation and Distribution Agreement and (B) the contribution, assignment, transfer, conveyance and delivery (directly or indirectly) to us or our subsidiaries, as applicable, of assets in exchange for (1) the assumption by us or our subsidiaries, as applicable, of our liabilities, (2) SunPower's receipt of a number of our shares, (3) a note for $100.0 million due to SunPower issued by one of our subsidiaries and (4) the distribution to SunPower of any intercompany accounts receivable owed by us or any of our subsidiaries to SunPower or any of its subsidiaries.

Organizational Documents of Maxeon Solar. Prior to the effective time of the distribution, and subject and pursuant to the terms and conditions of the Separation and Distribution Agreement, we and SunPower will take all necessary actions so that, as of the effective time of the distribution, the form of constitution attached as an exhibit to the Separation and Distribution Agreement will be our Constitution.

Distribution. Upon the terms and subject to the conditions of the Separation and Distribution Agreement and the Investment Agreement, following the separation and at the effective time of the distribution, SunPower will effect the distribution as contemplated by the Separation and Distribution Agreement.

Representations and Warranties

We and SunPower have made representations and warranties to TZS with respect to the following:

- organization, authority and subsidiaries;
- capital structure;
- no conflicts;
- SEC reports and financial statements;
- no undisclosed liabilities;
- information supplied in this Form 20-F;
- brokers or finders;
- taxes;
- litigation, compliance with laws and permits;
- absence of certain changes or events;
- environmental matters;
- intellectual property;
- title to properties;
- real property;
- material contracts;
- employee benefits and labor relations;
- insurance and warranties;
- liens;
- no other activities of Maxeon Solar; and
- Maxeon Solar financing.

TZS has made representations and warranties to us and SunPower with respect to the following:

- organization and authority;
- no conflicts;
- litigation and compliance with laws;
- brokers or finders;
- no competing business;
- acquisition for investment;
- no investment company (within the meaning of the Investment Company Act of 1940);
- ownership of stock;
- sufficient funds; and
- access to information.

Total has also made a limited number of representations generally regarding corporate power and authority to enter into the Investment Agreement.

Many of the representations and warranties contained in the Investment Agreement are subject to a "material adverse effect" standard, knowledge qualifications, or both, and, subject to limited exceptions, none of the representations and warranties will survive the effective time of the investment. The Investment Agreement does not contain any post-closing indemnification obligations with respect to these matters.

A material adverse effect is defined as any event, effect, change, circumstance or development that, individually or in the aggregate with other such events, effects, changes, circumstances or developments, has or would reasonably be expected to have, a material adverse effect on, (i) with respect to any of TZS, SunPower or us, the ability of such person to consummate any of the transactions contemplated by the Investment Agreement, or (ii) with respect to us, the business, financial condition, operations, result of operations, properties, assets or liabilities of us and our subsidiaries, taken as a whole, or the Maxeon Business (including prior to the distribution, the businesses and operations engaged in by SunPower and its subsidiaries that constitute the Maxeon Business, taken as a whole), other than, in the case of clause (ii), any event, effect, change, circumstance or development:

- resulting from changes after the date of the Investment Agreement affecting general economic or political conditions in the jurisdictions in which the Maxeon Business operates;
- resulting from changes after the date of the Investment Agreement generally affecting any of the markets, businesses, or industries in which the Maxeon Business operates;
- resulting from any action of us or SunPower or any of our or SunPower's subsidiaries, in each case, taken after the date of the Investment Agreement that is expressly required by the Investment Agreement or taken after the date of the Investment Agreement with the express prior written consent of TZS;
- resulting from the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism involving or affecting the jurisdictions in which the Maxeon Business operates;
- resulting from changes in financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index);
- resulting from any failure by us to meet any internal or public projection, budget, forecast, estimate or expectation in respect of our revenues, earnings or other financial or operating performance metrics for any period (but not the underlying causes of such failure, unless such causes would be excepted by operation of the above or below bullets);
- resulting from changes, after the date of the Investment Agreement, in GAAP or the accounting rules and regulations of the SEC;
- resulting from changes, after the date of the Investment Agreement, in applicable laws, including as to taxes; or
- resulting from the announcement of the execution of the Investment Agreement (provided that this exception does not apply with respect to any representation or warranty contained in the Investment Agreement to the extent the purpose of such representation or warranty is to address the consequences resulting from the announcement of the execution of the Investment Agreement, including the representation and warranty with respect to no conflicts or any matter expressly set forth in the Separation and Distribution Agreement or any Ancillary Agreement thereto (but not including any changes to the extent resulting from any delay of the distribution)).

However, in the case of all bullet points above except for the third and ninth bullet points above, any such events, effects, changes, circumstances or developments set forth in the foregoing clauses will be taken into account in determining whether a "material adverse effect" has occurred or would reasonably be expected to occur if and to the extent any such events, effects, changes, circumstances or developments, individually or in the aggregate, have a materially disproportionate impact on us and our subsidiaries, taken as a whole, or the Maxeon

Business (or, as may be applicable, the businesses and operations engaged in by SunPower and its subsidiaries that constitute the Maxeon Business), taken as a whole, relative to the other participants in the industries in which we operate.

Covenants

Each party to the Investment Agreement and, in certain cases, Total, has undertaken certain covenants in the Investment Agreement, and the following summarizes the more significant of these covenants:

Interim Covenants. In general, except as required by applicable law or expressly permitted by the Investment Agreement, we and SunPower are required to conduct our business in the ordinary course and use commercially reasonable efforts to maintain our material rights, licenses and permits, keep available the services of key employees and preserve our relationships with customers and others having business dealings with us. Each of us and SunPower has agreed to specific restrictions with respect to us, our subsidiaries and the Maxeon Business, subject to certain exceptions, including as required or expressly permitted or contemplated by the Investment Agreement, the Shareholders Agreement or the Registration Rights Agreement relating to, among other things, the following:

- amend the organizational documents of Maxeon Solar or any of our subsidiaries;
- sell, transfer, lease, sublease, license, covenant not to sue with respect to, abandon, cancel, permit to lapse or expire, pledge, dispose of, grant or subject to any liens on any material property or assets of the Maxeon Business (other than in the ordinary course of business consistent with past practice and not requiring the approval of the SunPower Board or in transactions solely among us and our wholly owned subsidiaries);
- declare or pay any dividend (other than dividends from one of our subsidiaries to us or to another of our wholly owned subsidiaries);
- issue any shares or any options or other securities exchangeable into or convertible or exercisable for any capital stock of us or a subsidiary, in each case, other than in connection with the settlement of any equity awards that were issued prior to the effective time of the distribution, the issuance or settlement of any equity awards issued in the conversion of equity awards in connection with the separation between the Maxeon Business and SunPower's remaining business, or the issuance of any equity awards related to any newly hired or promoted senior management employees;
- acquire or make any capital contribution or investment in any company (other than a wholly owned subsidiary), or acquire any assets, other than a transaction which does not require the approval of the SunPower Board, provided, that all such contributions, investments or acquisitions will not exceed $25,000,000 in the aggregate;
- incur any indebtedness other than borrowings under our or our subsidiaries' existing credit facilities, any transactions among us and our wholly owned subsidiaries, guarantees of indebtedness of any of our wholly owned subsidiaries by us or vice versa, or certain indebtedness incurred to replace or refinance (on terms no less favorable to us) any of our or our wholly owned subsidiaries' existing indebtedness;
- engage in any new line of business material to the Maxeon Business (taken as a whole);
- fail to maintain sufficient working capital required to operate the Maxeon Business in the ordinary course of business consistent with past practice;
- amend in a material way any of the transaction agreements related to the spin-off other than an "approved modification" (as defined therein);
- (i) hire any employee whose annual base salary exceeds $500,000 and who is employed at the executive vice president level or above (a "senior executive"), (ii) materially increase benefits payable to employees under any existing severance or termination pay policies, (iii) establish, adopt or

materially amend any CBA, pension, retirement or deferred compensation arrangement or (iv) increase compensation payable to any senior executive, except, in the case of clauses (ii) through (iv), for any such action which is (a) in the ordinary course of business, (b) as may be required by applicable laws or pursuant to any benefit plan, or (c) consistent with actions taken for similarly situated employees of the remaining SunPower business;

- make any material changes in financial or tax accounting methods other than as may be required by a change in GAAP or applicable law;
- make or change any material election concerning taxes, file an amended tax return, enter into a closing agreement with respect to taxes, settle a material tax claim or surrender any right to claim a tax refund or obtain a tax ruling;
- adopt a plan to completely or partially liquidate, dissolve, restructure or otherwise reorganize;
- pay, discharge, settle or satisfy any claims, liabilities or obligations, other than as reserved against in our financial statements or incurred since the date of our financial statements in the ordinary course of business consistent with past practice;
- enter into a material contract that restricts us or any of our subsidiaries from engaging in any line of business in any geographic area, requires approval of the SunPower Board or requires a third party consent in order to remain in full force and effect following closing of the investment or modify or terminate any material contract to which we are a party;
- settle any material actions;
- enter into, or waive any rights under, any contract between us and SunPower that will survive past the distribution; or
- authorize or agree to take any of the foregoing actions.

In addition, we and SunPower must have, prior to the closing of the investment, provided to TZS (a) on or prior to November 15, 2019, the consolidated audited balance sheets of the Maxeon Business at December 30, 2018, and the related consolidated audited statements of income and the related consolidated audited statements of cash flow, in each case, for the fiscal year ended December 30, 2018, in each case, to be included in the initial filing of the Form 20-F and (b) monthly and quarterly unaudited flash reports for the Maxeon Business in the forms attached as schedules to the Investment Agreement.

Separation Committee Covenant. Pursuant to the Investment Agreement, the parties to the Investment Agreement and Total will form an eight-member separation committee that is comprised of two individuals designated by each of us, SunPower, TZS and Total as their representatives, to discuss the progress of, and matters relating to, the transactions contemplated by the Investment Agreement and the Separation and Distribution Agreement.

To the extent we and/or SunPower wish to modify any of the schedules to (A) the Separation and Distribution Agreement, or (B) the Transition Services Agreement, subject to certain exceptions, any such modifications must be approved by a majority vote of the members of the separation committee (excluding the members of the separation committee designated by the party proposing such modification and the members designated by Total).

Reasonable Best Efforts Regarding Consents and Approvals

Under the Investment Agreement, each party to the Investment Agreement, and Total where required by applicable foreign antitrust laws, has agreed to use its reasonable best efforts to consummate the transactions

contemplated by the Investment Agreement, the Separation and Distribution Agreement and the Ancillary Agreements to which it is a party, including:

- preparing and filing as promptly as practicable with any governmental authority or other third party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents; and
- obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any governmental authority or other third party that are necessary, proper or advisable to consummate the transactions contemplated by Investment Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements to which it is a party.

Each party to the Investment Agreement and Total have also agreed to:

- make or cause to be made an appropriate filing or filings pursuant to any foreign antitrust law with respect to the transactions contemplated hereby as promptly as practicable; and
- supply as promptly as practicable any additional information and documentary material that may be requested pursuant to any foreign antitrust law and use their reasonable best efforts to take all other actions necessary to cause the expiration or termination of the applicable waiting periods under any foreign antitrust law, as applicable, as soon as practicable.

Further, each party to the Investment Agreement, and Total where required by applicable foreign antitrust laws, have agreed that it will use reasonable best efforts to (i) cooperate with each other party and Total (as applicable) in connection with any filing or submission with a governmental authority in connection with the transactions contemplated by the Investment Agreement and in connection with any investigation or other inquiry by or before a governmental authority relating to the transactions contemplated by the Investment Agreement, including any proceeding initiated by a private party, and (ii) keep the other parties to the Investment Agreement and Total (as applicable) informed in all material respects of any material communication received by such party to the Investment Agreement or Total from, or given by such Party or Total to, any governmental authority and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated by the Investment Agreement. Subject to applicable law relating to the exchange of information, each party to the Investment Agreement and Total will have the right (A) to review in advance, and to the extent practicable each other party to the Investment Agreement and Total will consult with the other parties to the Investment Agreement and Total on, any filing made with, or written materials submitted to, any third party and/or any governmental authority in connection with the transactions contemplated by the Investment Agreement and (B) to participate in any material meeting or discussion, either in person or by telephone, with any governmental authority in connection with the transactions contemplated by the Investment Agreement to the extent reasonably practicable and to the extent not prohibited by such governmental authority.

Each party to the Investment Agreement, and Total where applicable, has agreed to use its reasonable best efforts to resolve such objections, if any, as may be asserted by a governmental authority or other person with respect to the transactions contemplated by the Investment Agreement. Notwithstanding the above, no party to the Investment Agreement or Total or any of their respective subsidiaries will be required to take any action or enter into any settlement or other agreement or binding arrangement that limits such party's or Total's freedom of action with respect to or that requires such party or Total to sell, hold separate or otherwise dispose of or restrict access to any businesses, product lines, assets or properties of us, SunPower, TZS, Total or any of their subsidiaries including the capital stock of any such subsidiary.

In addition, TZS has agreed to:

- make all appropriate filings required in connection with the PRC approvals (except for the foreign exchange filing with the relevant bank authorized by the State Administration of Foreign Exchange of

the PRC) as promptly as practicable within the applicable period required by applicable law and in any event within 30 business days of the date of the Investment Agreement and, with respect to the foreign exchange filing with the relevant bank authorized by the State Administration of Foreign Exchange of the PRC (if required), make all appropriate filings with such bank as promptly as practicable after obtaining the approvals of the National Development and Reform Commission of the PRC or its competent local counterparts and the Ministry of Commerce of the PRC or its competent local counterparts for the PRC overseas direct investment by TZS as contemplated by the Investment Agreement, and supply as promptly as practicable any additional information and documentary material that may be requested pursuant to applicable law of the PRC in connection with the PRC approvals;

- use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to obtain the PRC approvals as soon as practicable, including using reasonable best efforts to take all such action as reasonably may be necessary to resolve such objections, if any, as any PRC governmental authority or person may assert under any applicable laws of the PRC or order of a PRC governmental authority with respect to the PRC approvals; and
- keep us, SunPower and Total reasonably informed on a timely basis and in reasonable detail of the status of the PRC approvals.

Finally, each of the parties to the Investment Agreement and Total have agreed to cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any governmental authority not contemplated by the Investment Agreement is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by the Investment Agreement and (ii) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers. To the extent required by applicable law, we and SunPower have agreed to use reasonable best efforts to (and will cause any of our applicable subsidiaries to) inform, consult or more generally involve any relevant employee representative bodies, in connection with the transactions contemplated by the Investment Agreement and the Separation and Distribution Agreement, and will provide TZS and Total with copies of any material employee representative information documents, opinions, decisions or similar relevant justification documents provided to such relevant employee representative bodies in connection therewith to the extent permitted by applicable law.

Waiver from the Application of the Singapore Code on Take-overs and Mergers.

Pursuant to the Investment Agreement, we and SunPower agreed to use commercially reasonable efforts to obtain a waiver from the Securities Industry Council of Singapore with respect to the applicability of the Singapore Code on Take-overs and Mergers to us in all cases except in the case of a tender offer (within the meaning of the Exchange Act) where a Tier 1 Exemption is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer rules promulgated under the Exchange Act (a “General Waiver”), including by furnishing such information and/or providing such confirmations as may be reasonably requested or required to obtain such General Waiver. Each of Total and TZS also agreed to provide all timely cooperation reasonably requested by us and SunPower in connection with obtaining such General Waiver, as applicable, including by furnishing such information and/or providing such confirmations as may be reasonably requested or required to obtain such General Waiver, as applicable.

The Investment Agreement provides that, in the event that it becomes reasonably apparent that the General Waiver will not be granted prior to the date of the distribution and, based on the advice of counsel, the parties to the Investment Agreement and Total reasonably determine that the distribution and/or the TZS investment for the acquisition of our newly issued shares is expected to trigger the mandatory general offer provisions under Rule 14 of the Singapore Code on Take-overs and Mergers, the parties to the Investment Agreement and Total must use commercially reasonable efforts to obtain ruling(s) from the Securities Industry Council of Singapore such

that a mandatory general offer under the provisions of Rule 14 of the Singapore Code on Take-overs and Mergers will not be triggered as a result of the distribution and/or investment, as applicable, or, if the ruling is that a mandatory general offer under the provisions under Rule 14 of the Singapore Code on Take-overs and Mergers is triggered, a waiver from such mandatory general offer.

We received the General Waiver from the Securities Industry Council of Singapore on January 30, 2020. In connection with receipt of the waiver, the SunPower Board submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon Solar shares as a result of the spin-off that a waiver of the provisions of the Singapore Code on Take-overs and Mergers is obtained.

Non-Competition

Pursuant to the Investment Agreement, TZS and Total have agreed for a period of three years after the closing of the investment or, if earlier, such time that such person no longer owns at least 10% of our common stock and no longer has any board representation rights on the Maxeon Solar Board, subject to certain exceptions, not to conduct, participate or engage in, or bid for or otherwise pursue any business that conducts, participates or engages in, or bids for or otherwise pursues a business that is engaged in high-efficiency n-type solar cells (including research and development or manufacturing activities relating thereto).

In addition, pursuant to the Investment Agreement, TZS and Total have agreed, for a period of ten years after the closing of the investment or, if earlier, until the end of a five-year period beginning on such date that such person no longer owns at least 10% of our common stock and no longer has any board representation rights on the Maxeon Solar Board, subject to certain exceptions, not to conduct, participate or engage in, or bid for or otherwise pursue any business that conducts, participates or engages in, or bids for or otherwise pursues a business that is engaged in interdigitated back contact solar cells (including research and development or manufacturing activities relating thereto).

Non-Solicitation

Pursuant to the Investment Agreement, for a period of three years after the closing of the investment, subject to certain exceptions, TZS will not, and will direct its affiliates and any of its employees, officers and directors acting at TZS's direction not to solicit for employment or hire any member of senior management employed by SunPower or its affiliates or otherwise induce any such individual to terminate his or her employment by SunPower or its affiliates, or take any action aimed at causing any customer or potential customer or partner of us, SunPower or the Maxeon Business to sever its business relationship with us, SunPower or the Maxeon Business, as applicable.

In addition, pursuant to the Investment Agreement, for a period of three years after the closing of the investment, subject to certain exceptions, each of us and SunPower will not, and will direct our respective affiliates and any of our respective employees, officers and directors acting at our or SunPower's direction (as applicable) not to, take any action aimed at causing any customer or potential customer or partner of TZS to sever its business relationship with TZS or its affiliates.

Financing; Closing Debt; Closing Cash.

Debt Financing Efforts. The Investment Agreement provides that we and SunPower will use our reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as possible, all things necessary, proper or advisable to arrange and obtain debt financing including using reasonable best efforts to negotiate and enter into definitive agreements with respect to the debt financing on terms and conditions that are acceptable to the debt financing sources and which are the best terms and conditions then available to us, which terms will, in any event, be no less favorable to us than the acceptable financing terms agreed to in the

Investment Agreement, and satisfy, or cause to be satisfied (or, if deemed advisable by SunPower, seek the waiver of), on a timely basis all conditions precedent to the utilization of the debt financing that are required to be satisfied by us, SunPower and our respective subsidiaries. We and SunPower will keep TZS informed on a reasonably current basis in reasonable detail of the status of our and SunPower's efforts to arrange the debt financing and will provide copies of all documents related to the debt financing to TZS.

If any portion of the debt financing becomes, or would reasonably be expected to become, unavailable, we and SunPower will as promptly as practicable following the occurrence of such event (i) notify TZS (and in any event within two business days), (ii) use our and SunPower's reasonable best efforts to arrange to obtain alternative debt financing from internationally recognized financing sources to be funded at the closing in an amount sufficient to replace any unavailable portion of the debt financing on the best terms and conditions then available to us, which terms will be no less favorable to us than the acceptable financing terms agreed to in the Investment Agreement, and (iii) keep TZS informed, on a reasonably current basis, of the status of our and SunPower's efforts to arrange the replacement financing, including the terms and conditions of any proposed replacement financing, and we and SunPower will promptly provide copies of all material documents relating to the replacement financing to TZS.

Additional Financing. The Investment Agreement also provides that we and SunPower will use our reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as possible, all things necessary, proper or advisable to arrange and obtain financing in the form of a revolving credit facility of not less than $100.0 million available to be drawn by us immediately after closing of the investment on terms reasonably satisfactory to TZS, the SunPower Board and us, including using our reasonable best efforts to, (A) as promptly as possible negotiate and enter into definitive agreements with respect to the additional financing and (ii) at or prior to the distribution, satisfy, or cause to be satisfied (or, if deemed advisable by SunPower, seek the waiver of), on a timely basis all conditions precedent to the utilization of the additional financing that are required to be satisfied by us, SunPower and our respective subsidiaries. We and SunPower will keep TZS informed on a reasonably current basis in reasonable detail of the status of our and SunPower's efforts to arrange the additional financing and will provide copies of all documents related to the additional financing to TZS. If any portion of the additional financing becomes, or would reasonably be expected to become, unavailable on the terms and conditions contemplated by the definitive agreements with respect thereto, we and SunPower will promptly notify TZS.

Financing Cooperation. Each of TZS, Total and SunPower agree to jointly pursue all timely cooperation reasonably requested by us and SunPower in connection with the arrangement of the debt financing and the additional financing. Under the terms of the Investment Agreement, neither TZS nor Total has any obligation to provide any financial information in a format not customarily prepared by TZS or Total, as applicable, or to provide any non-public, confidential or proprietary information or to execute any document in connection with the arrangement of the debt financing or the additional financing, and neither TZS nor Total has any obligation to expend out-of-pocket money in connection with the arrangement of the debt financing or additional financing.

Closing Debt Amount; Closing Cash Amount. The Investment Agreement contemplates that we and SunPower will take such actions as are reasonably necessary to ensure that we will have no more than $138.0 million in financial debt and no less than $50.0 million in available cash (as defined in the Investment Agreement) immediately prior to the investment. Our financial debt and available cash is subject to post-closing adjustment payment to or from SunPower in the event of any underage or overage, as applicable, of the target amounts set forth in the immediately preceding sentence.

Financial Statements Remedies. In the event that the net aggregated impact on changes of pro forma balance sheet reflects a decrease in net assets of more than $10.0 million but less than $50.0 million, then the amount of cash that we will be obligated to have immediately prior to the investment will increase by an amount equal to the absolute value of such decrease in excess of $10.0 million.

In the event that the net aggregated impact on changes of pro forma balance sheet reflects an increase in net assets of more than $10.0 million, then an amount of specific assets, and/or receivables due to SunPower from us and/or any of our other assets (which are not critical to the operation of the Maxeon Business) will be reallocated to SunPower before the distribution in an amount equal to the amount of such increase in excess of $10.0 million, but such amount not to exceed $50.0 million (with such reallocation to be mutually agreed in good faith by the parties to the Investment Agreement prior to the distribution).

If we and SunPower reasonably determine that the net aggregated impact on changes of pro forma balance sheet is reasonably likely to exceed $50.0 million when the Form 20-F is declared effective by the SEC, then (A) we and SunPower will promptly notify TZS, and (B) for a period of 45 days the parties to the Investment Agreement will discuss in good faith potential amendments to the Investment Agreement, the Shareholders Agreement, the Registration Rights Agreement, the Separation and Distribution Agreement and the Ancillary Agreements to remediate such event, provided, that no party to the Investment Agreement will be obligated to agree to any such amendment.

The net aggregated impact on changes of pro forma balance sheet is the aggregate of:

- the difference between $26.0 million and the amount of the payment obligation in respect of the acquisition of AUO SunPower Sdn. Bhd reflected in the Effective SpinCo 2018 Pro Forma Balance Sheet (as defined in the Investment Agreement), expressed as a positive or negative number;
- the collective amount of (A) any new liability item in the Effective SpinCo 2018 Pro Forma Balance Sheet that is not reflected in the October 29 Pro Forma Balance Sheet (as defined in the Investment Agreement), and (B) any increase in any liability item reflected in the October 29 Pro Forma Balance Sheet (which, in the case of clause (A) or clause (B), may trigger net cash outflow after the distribution date), but in any case excluding (1) any liability associated with the purchase commitments for the procurement of poly silicon in existence prior to December 30, 2018, or (2) any liability associated with the agreement regarding the Hemlock Agreements to be entered into between us and SunPower at the time of the distribution reflected in the Effective SpinCo 2018 Pro Forma Balance Sheet, expressed as a negative number; and
- the value of the certain specified assets set forth on Section 4.2(d)(iii) of the disclosure schedule to the Investment Agreement reflected in the Effective SpinCo 2018 Pro Forma Balance Sheet and the value of the same certain specified assets reflected in the October 29 Pro Forma Balance Sheet, expressed as a positive or negative number.

No Solicitations of Transactions

Under the terms of the Investment Agreement, we and SunPower have agreed that we and SunPower will not, and will cause our respective subsidiaries and each of our respective affiliates, directors, officers, employees, representatives and agents not to, in each case, directly or indirectly:

- solicit, initiate or knowingly facilitate or encourage any inquiry with respect to or the making of any proposal or offer (including any proposal or offer to SunPower’s stockholders) that constitutes, or could reasonably be expected to lead to, an alternative transaction;
- enter into, engage in, initiate or otherwise participate in discussions or negotiations with any person or group of persons regarding an alternative transaction;
- provide or furnish, or cause to be provided or furnished, to any person or group of persons, any non-public information concerning the business, operations, properties or assets of the Maxeon

Business, SunPower, Maxeon Solar or any of our respective subsidiaries in connection with an alternative transaction;

- agree to, approve, endorse, recommend or consummate any alternative transaction or enter into any letter of intent, memorandum of understanding or other agreement contemplating or otherwise relating to any alternative transaction;
- to the extent related to a potential alternative transaction, grant any waiver, amendment or release under any standstill or similar agreement or takeover statute (and we and SunPower will promptly take all action necessary to terminate or cause to be terminated any such waiver previously granted with respect to any provision of any such standstill or similar agreement or takeover statute);
- otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing; or
- authorize or permit any of our respective subsidiaries, affiliates or directors, officers, employees, representatives and agents to take any action set forth in the above bullets.

In addition, we and SunPower will, and will cause our respective controlled affiliates, subsidiaries, directors, officers, employees, representatives and agents to, immediately cease and terminate on the date of the Investment Agreement all existing discussions or negotiations with any persons conducted theretofore with respect to an alternative transaction.

An alternative transaction is any transaction:

- involving a merger, consolidation, business combination, exchange or tender offer, binding share exchange, joint venture, dissolution, scheme of arrangement or similar transaction involving us or the Maxeon Business;
- to acquire, in any manner, more than 20% of the shares or equity interests or other ownership interests or voting power of us;
- to acquire in any manner (including the acquisition of stock in any of our subsidiaries), directly or indirectly, the assets or business of Maxeon Solar, our subsidiaries or the Maxeon Business, constituting more than 20% of the consolidated assets of the Maxeon Business or to which more than 20% of the consolidated revenues or net income of the Maxeon Business are attributable; or
- to acquire, in any manner (including any merger, consolidation, exchange or tender offer or similar transaction), more than 50% of the shares or equity interests or other ownership interests or voting power of SunPower.

However, a transaction to acquire, in any manner, 50% or less than 50% of the shares or equity interests or other ownership interests or voting power of SunPower will not constitute an alternative transaction.

Additionally, SunPower is obligated to provide oral and written notice to TZS promptly (and in any event within 48 hours after having knowledge) of any alternative transaction proposal, the material terms and conditions thereof, and the identity of the person(s) making any such alternative transaction proposal. In addition, SunPower is obligated to keep TZS reasonably informed on a reasonably prompt basis (and in any event within 48 hours) of any material changes, developments, discussions or negotiations regarding any alternative transaction proposal and of any material changes in the status and terms of any alternative transaction proposal. We and SunPower have also agreed that none of we, SunPower, or any of our respective affiliates or subsidiaries will enter into any confidentiality agreement or any other contract with any person which prohibits us or SunPower from providing any information to TZS pursuant to the above.

Notwithstanding the foregoing, if at any time prior to the date that this Form 20-F had been declared effective by the SEC, SunPower or any of its representatives receives an unsolicited, written bona fide proposal or

offer for a parent transaction which proposal or offer did not result from any breach of the no-solicitation of transaction obligations, SunPower and its representatives may contact the person(s) making such proposal for a parent transaction to clarify the terms and conditions thereof, and if the SunPower Board determines in good faith, after consultation with its financial advisor and outside legal counsel, that such proposal for a parent transaction constitutes or could reasonably be expected to result in a superior proposal, then SunPower and its representatives may furnish, pursuant to an acceptable confidentiality agreement, information (including non-public information) with respect to SunPower and its subsidiaries and its and their businesses to the person(s) who made such proposal for a parent transaction (provided that SunPower concurrently provides to TZS any written non-public information concerning us or any of our subsidiaries or the Maxeon Business that was not previously provided to TZS) and, subject to compliance with certain requirements to notify and provide relevant information to TZS, SunPower and its representatives may engage in or otherwise participate in discussions or negotiations with such person(s) or group of persons making such proposal or offer for a parent transaction.

A parent transaction is any alternative transaction involving any transaction to acquire, in any manner (including any merger, consolidation, exchange or tender offer or similar transaction), more than 50% of the shares or equity interests or other ownership interests or voting power of SunPower.

Pursuant to the Investment Agreement, neither the SunPower Board nor any committee thereof may (1) make any recommendation or public statement in connection with any alternative transaction, (2) if a tender offer or exchange offer that constitutes an alternative transaction is commenced, fail to recommend against the acceptance by SunPower's stockholders of such tender offer or exchange offer (including, for these purposes, by disclosing that it is taking no position with respect to the acceptance by SunPower's stockholders of such tender offer or exchange offer, which disclosure will constitute a failure to recommend against the acceptance by SunPower's stockholders of such tender offer or exchange offer) within 10 business days after the commencement of such tender offer or exchange offer (provided that a customary "stop, look and listen" communication pursuant to Rule 14d-9(f) under the Exchange Act will not be prohibited), or (3) adopt, approve or recommend, or publicly propose to adopt, approve or recommend to SunPower's stockholders an alternative transaction.

In addition, pursuant to the Investment Agreement, neither the SunPower Board nor any committee thereof may authorize, cause or permit us, SunPower or any of our subsidiaries to enter into any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement or other similar agreement with respect to any alternative transaction (other than an acceptable confidentiality agreement entered into in compliance with the above).

However, prior to the date that this Form 20-F had been declared effective by the SEC, the SunPower Board may, in response to an unsolicited, written bona fide parent transaction proposal, which proposal did not result from any breach of the above, (A) make a recommendation or public statement with respect to such parent transaction, or (B) authorize SunPower to terminate the Investment Agreement in order to concurrently enter into an acquisition agreement providing for such parent transaction if, in either case, the SunPower Board has determined in good faith, after consultation with its financial advisor and outside legal counsel, that the failure to take such action would be inconsistent with the fiduciary duties of the SunPower Board under applicable law and such parent transaction proposal constitutes a superior proposal, but only if each of the following conditions are satisfied:

- SunPower has otherwise complied with the no-solicitation of transaction obligations described above;
- SunPower provides TZS with at least three business days' prior written notice advising TZS that SunPower has received a superior proposal, specifying the material terms and conditions of such superior proposal, identifying the person(s) making such superior proposal and indicating that the SunPower Board intends to make a recommendation or public statement with respect to such superior proposal or authorize SunPower to terminate the Investment Agreement in accordance with the applicable provisions of the Investment Agreement;
- if TZS requests, SunPower has negotiated in good faith with TZS (and with Total to the extent Total desires to do so) to make such adjustments in the terms and conditions of the Investment Agreement

and the Separation and Distribution Agreement and Ancillary Agreements (as applicable) such that it would cause such parent transaction to no longer constitute a superior proposal;

- following the end of the notice period described in the second bullet point above, the SunPower Board has considered in good faith and taken into account any changes to the Investment Agreement and the Separation and Distribution Agreement and Ancillary Agreements (as applicable) proposed by TZS in response to the notice of the superior proposal or otherwise, and has determined in good faith, after consultation with its financial advisor and outside legal counsel, that such parent transaction proposal continues to constitute a superior proposal; and
- in the event of any modification to the material terms or conditions of the proposal that was determined to be a superior proposal, SunPower has delivered a new notice of at least one business day's prior written notice to TZS advising TZS of the matters set out in the second bullet point above and has again complied with the requirements above.

Nothing contained in the Investment Agreement prohibits SunPower or the SunPower Board from (1) complying with Rule 14d-9 and Rule 14e-2 under the Exchange Act or (2) making any disclosure to SunPower's stockholders if the SunPower Board determines in good faith (after consultation with its outside legal counsel) that the failure to make such disclosure would reasonably likely be inconsistent with its obligations under applicable law.

A superior proposal means a bona fide written parent transaction proposal (that was not obtained in violation of the no-solicitation obligations described above) that the SunPower Board determines in good faith, after consultation with outside legal counsel and its financial advisor, is reasonably likely to be consummated in accordance with its terms, taking into account all financial, legal, regulatory and other aspects of such parent transaction, including all conditions contained therein, and that the SunPower Board determines in good faith, after consultation with outside legal counsel and its financial advisor (taking into account any changes to the Investment Agreement and the Separation and Distribution Agreement or any Ancillary Agreement thereto proposed by TZS in response to a parent transaction proposal), is more favorable to the stockholders of SunPower than the transactions contemplated by the Investment Agreement and the Separation and Distribution Agreement and Ancillary Agreement thereto from a financial point of view.

Other Covenants

The Investment Agreement contains other covenants customary of a transaction of this nature, including covenants regarding:

- public announcements;
- access to information;
- fees and expenses;
- notification of changes;
- the obligations under the Separation and Distribution Agreement;
- the Shareholders Agreement and Registration Rights Agreement;
- listing on the NASDAQ Stock Market;
- the solvency opinion; and
- preparation of this Form 20-F.

Conditions to Closing

The respective obligations of each of us, SunPower and TZS to close the transaction contemplated by the Investment Agreement are subject to the satisfaction on or prior to the closing date (or waiver on or prior to the closing date to the extent permitted by applicable law) of the following conditions:

- there is no law, order or injunction or restraint relating to the transaction having the effect of making the transaction illegal;
- there is no pending governmental action relating to the transaction seeking, and which is reasonably likely to result in, the granting of an injunction having the effect of making the transaction illegal;
- all required PRC approvals have been received;
- all notifications and filings required under foreign antitrust laws to be made prior to the closing date have been made and all consents and approvals required under applicable laws to be obtained prior to the closing date have been obtained and all waiting periods applicable to the investment under foreign antitrust laws have expired or been terminated, other than those which would not reasonably be expected to have a material adverse effect on us, SunPower and its subsidiaries, TZS or Total;
- this Form 20-F has been declared effective by the SEC and copies have been mailed to record holders;
- our shares have been approved for listing on the NASDAQ Stock Market;
- the SunPower Board has received one or more opinions from an independent valuation firm confirming the solvency and financial viability of each of us and SunPower immediately after the consummation of the distribution in a form acceptable to SunPower;
- the escrow agreement and each of the separation transaction agreements contemplated to be in effect at such time are in effect and the obligations required thereunder by each party thereto have been performed, and the Shareholders Agreement and the Registration Rights Agreement have been executed and shall become effective immediately upon closing of the investment;
- the Internal Transactions, the separation and the distribution have been completed on the terms and conditions set forth in the Separation and Distribution Agreement;
- our incorporation and conversion from a private company to a public company under the laws of Singapore have been completed;
- all necessary filings under U.S. or foreign securities laws have been completed;
- all required government approvals have been received;
- definitive agreements with respect to the debt financing have been entered into, and evidence of the satisfaction or waiver of all conditions precedent to the utilization of such debt financing and evidence that the debt financing has not been utilized have been delivered to TZS;
- either (i) definitive agreements with respect to the additional financing have been entered into, and evidence of the satisfaction or waiver of all conditions precedent to the utilization of such additional financing and evidence that the additional financing has not been utilized have been delivered to TZS, or (ii) the alternative working capital arrangements and supply agreement contemplated by the Investment Agreement has been put into place;
- any consultation with relevant employee representation bodies has been completed; and
- if applicable, a waiver or ruling from the Singapore Securities Industry Council with respect to the applicability of the mandatory general offer provisions under the Singapore Code on Take-overs and Mergers to the investment and/or distribution (as applicable) has been received.

The obligations of TZS to close the investment are subject to the satisfaction on or prior to the closing date (or waiver on or prior to the closing date to the extent permitted by applicable law) of the following conditions:

- certain fundamental representations and warranties of us and SunPower were true as of the signing of the Investment Agreement and will be true as of the closing of the investment (unless another time is specified) in all respects;
- all other representations and warranties of us and SunPower were true as of the signing of the Investment Agreement and will be true as of the closing of the investment (unless another time is specified), except as has not had and would not have a material adverse effect on us;
- we and SunPower will have complied with our obligations under the Investment Agreement in all material respects;
- there has been no material adverse effect on us;
- SunPower and we will have delivered to TZS officers certificates certifying the satisfaction of the conditions in the four bullets above; and
- we will have no more than $138.0 million of financial indebtedness and no less than $50.0 million in available cash after the spin-off.

The obligations of us and SunPower to close the investment are subject to the satisfaction on or prior to the closing date (or waiver on or prior to the closing date to the extent permitted by applicable law) of, among other things, the following conditions:

- certain fundamental representations and warranties of TZS were true as of the signing date and will be true as of the closing of the investment (unless another time is specified) in all respects;
- all other representations and warranties of TZS were true as of the signing and will be true as of the closing of the investment (unless another time is specified), except as has not had and would not reasonably be expected to have a material adverse effect on TZS;
- TZS will have complied with its obligations under the Investment Agreement in all material respects;
- TZS will have delivered to SunPower and us an officers certificate certifying the satisfaction of the conditions in the three bullets above; and
- TZS will have delivered the tax representation letter regarding certain business and structuring criteria for the investment.

Termination; Termination Fees

Termination. The Investment Agreement may be terminated by either SunPower or TZS at any time prior to the closing date:

- by the mutual written consent of SunPower and TZS;
- by either SunPower or TZS:
  - if the closing of the investment has not occurred on or before August 8, 2020 (the “termination date”) (provided, that the termination date will be extended by 45 days if the parties to the Investment Agreement engage in good faith discussions regarding potential amendments to the Investment Agreement, the Shareholders Agreement, the Registration Rights Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements thereto to remediate in the event that we and SunPower reasonably determine that the aggregate of the variation from certain items reflected in the Effective SpinCo 2018 Pro Forma Balance Sheet is reasonably likely to exceed $50,000,000 when this Form 20-F is declared effective by the SEC, and provided, further that if, on August 8, 2020 (or September 22, 2020 if the termination date has been

extended pursuant to the first portion of this parenthetical), the parties to the Investment Agreement have not obtained all necessary foreign antitrust approvals and no event has occurred that has resulted, or could reasonably be expected to result, in any other closing condition set forth in the Investment Agreement not being satisfied, then the termination date may be extended to November 8, 2020 (or December 23, 2020 if the termination date has been extended pursuant to the first portion of this parenthetical), and provided, further, that the right to terminate the Investment Agreement pursuant to the above will not be available to any party to the Investment Agreement that has breached in any material respect any of its obligations under the Investment Agreement where such breach was the cause of, or resulted in, the failure of the closing date to occur on or before the termination date;

- if any governmental authority issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Investment Agreement, and such order, decree, ruling or other action has become final and nonappealable (however, the right to terminate the Investment Agreement pursuant to this bullet point is not available to any party to the Investment Agreement if it has breached in any material respect any of its obligations under the Investment Agreement where such breach is the cause of, or results in, the issuance of, or the failure to be resolved or lifted of, such order, decree, ruling or other action); or
- if the PRC approvals are not obtained prior to the termination date (however, the right to terminate the Investment Agreement is not available to any party to the Investment Agreement if it has breached in any material respect any of its obligations under the Investment Agreement where such breach is the cause of, or results in, the failure to obtain such PRC approvals);

- by SunPower:
  - if TZS breaches or fails to perform any of its representations, warranties, covenants or other agreements contained in the Investment Agreement, such that the closing conditions with respect to such representations, warranties, covenants or other agreements are not capable of being satisfied on or before the termination date;
  - if the SunPower Board in good faith concludes (after consultation with its outside legal counsel and the valuation or appraisal firm it has engaged for surplus and solvency opinions) that the conditions set forth in the Investment Agreement with respect to certain surplus and solvency opinions are not reasonably capable of being satisfied on or before the termination date based on facts available to the SunPower Board at the time of such conclusion; or
  - prior to the date that this Form 20-F had been declared effective by the SEC, if the SunPower Board authorizes SunPower to terminate the Investment Agreement in order to concurrently enter into an acquisition agreement with respect to a superior proposal in compliance with SunPower's obligations under the Investment Agreement, SunPower concurrently enters into such acquisition agreement and SunPower pays the applicable termination fee prior to or concurrently with such termination; and
- by TZS:
  - if we or SunPower breach or fail to perform any of our representations, warranties, covenants or other agreements contained in the Investment Agreement, such that the closing conditions with respect to such representations, warranties, covenants or other agreements are not capable of being satisfied on or before the termination date;
  - (A) if the SunPower Board in good faith concludes (after consultation with its outside legal counsel and the valuation or appraisal firm it has engaged for surplus and solvency opinions) that the conditions set forth in the Investment Agreement with respect to certain surplus and solvency opinions are not reasonably capable of being satisfied on or before the termination date based on

facts available to the SunPower Board at the time of such conclusion and (B) SunPower has not terminated the Investment Agreement within five business days after making such determination; or

- prior to the date that this Form 20-F had been declared effective by the SEC, if the SunPower Board has made a recommendation or public statement in connection with any alternative transaction.

Termination Fees

TZS must pay SunPower a termination fee in cash equal to $35,000,000 in the event that:

- TZS or SunPower exercises its right to terminate the Investment Agreement as a result of a failure to obtain the PRC approvals by the termination date (provided that such right to terminate the Investment Agreement is not available to any party to the Investment Agreement if it has breached in any material respect any of its obligations under the Investment Agreement where such breach is the cause of, or results in, the failure to obtain such PRC approvals, and the termination fee shall not be payable by TZS if we and SunPower have not complied with our and SunPower's obligations to on or prior to November 15, 2019 provide TZS with certain financial statements to be included in the initial filing of this Form 20-F); or
- SunPower exercises its right to terminate the Investment Agreement in any of the following events, in each case, as a result of any intentional breach by TZS:
  - a failure to close the investment by the termination date;
  - any governmental authority issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Investment Agreement, and such order, decree, ruling or other action has become final and nonappealable; or
  - TZS breaches or fails to perform any of its representations, warranties, covenants or other agreements contained in the Investment Agreement, such that the closing conditions with respect to such representations, warranties, covenants or other agreements are not capable of being satisfied on or before the termination date.

SunPower must pay TZS a termination fee in cash equal to $20,000,000 in the event that:

- TZS exercises its right to terminate the Investment Agreement as a result of the SunPower Board having made a recommendation or public statement in connection with any alternative transaction that is not a parent transaction;
- TZS exercises its termination right in any of the following events, in each case, as a result of any intentional breach by SunPower:
  - a failure to close the investment by the termination date;
  - any governmental authority issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by the Investment Agreement, and such order, decree, ruling or other action has become final and nonappealable; or
  - we or SunPower breach or fail to perform any of our or SunPower's representations, warranties, covenants or other agreements contained in the Investment Agreement, such that the closing conditions with respect to such representations, warranties, covenants or other agreements are not capable of being satisfied on or before the termination date; or
- TZS or SunPower exercises its right to terminate the Investment Agreement as a result a failure to close the investment by the termination date and (A) prior to such termination, an alternative transaction proposal is submitted to us that is not a parent transaction (and has not been withdrawn),

and (B) within seven months after termination of the Investment Agreement, we, SunPower or any of our respective subsidiaries consummate or enter into a definitive agreement with respect to any alternative transaction that is not a parent transaction (with all of the references to 20% in the definition of alternative transaction described above adjusted to increase the percentages referenced therein to 50%).

SunPower must pay TZS a termination fee in cash equal to $80,000,000 in the event that:

- SunPower terminates the Investment Agreement prior to the date that this Form 20-F had been declared effective by the SEC in order to enter into an acquisition agreement with respect to a superior proposal for a parent transaction in compliance with the terms of the Investment Agreement;
- TZS exercises its right to terminate the Investment Agreement as a result of the SunPower Board having made a recommendation or public statement in connection with any alternative transaction that is a parent transaction; or
- TZS or SunPower exercises its right to terminate the Investment Agreement as a result a failure to close the investment by the termination date and (A) prior to such termination, an alternative transaction proposal is submitted that is a parent transaction (and has not been withdrawn), and (B) within seven months after termination of the Investment Agreement, we, SunPower or any of our respective subsidiaries consummate or enter into a definitive agreement with respect to any alternative transaction that is a parent transaction.

Remedies

The parties to the Investment Agreement and Total agree that irreparable damage will occur in the event that any of the provisions of the Investment Agreement are not performed in accordance with their specific terms. Thus, the parties to the Investment Agreement are entitled to pursue specific performance of the terms of the Investment Agreement in addition to any other remedy to which they are entitled at law or in equity.

While the parties to the Investment Agreement may pursue both a grant of specific performance and payment of the applicable termination fee, none of them will be permitted or entitled to receive both a grant of specific performance and payment of the applicable termination fee and upon payment of the applicable termination fee, the remedy of specific performance will not be available against the party paying such termination fee.

The maximum aggregate liability of SunPower and TZS for such party's breach of the Investment Agreement (whether willfully, intentionally, unintentionally or otherwise) is limited to $80,000,000 in the case of SunPower and $35,000,000 in the case of TZS.

Arbitration

Each party to the Investment Agreement and Total agreed that any legal action or proceeding with respect to the Investment Agreement or the transactions contemplated therein will be referred to and finally resolved by binding arbitration administered by the Singapore International Arbitration Centre, in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, by a panel of three arbitrators (two arbitrators chosen by each party to the dispute and one chosen by the two party-appointed arbitrators).

Amendments; Waivers

No provisions of the Investment Agreement may be waived, amended, supplemented or modified, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party to the Investment Agreement or Total against whom it is sought to enforce such waiver, amendment,

supplement or modification (provided that the conditions regarding the waivers from the application of the Singapore Code on Take-overs and Mergers, described above, may not be waived, amended, supplemented or modified unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each party to the Investment Agreement and Total).

Assignability

No rights or obligations under the Investment Agreement may be assigned or delegated without the express prior written consent of the other parties to the Investment Agreement and Total, as applicable, except that TZS may prior to the closing of the investment, upon notice to SunPower and us, designate its affiliate to purchase our shares and to execute the Shareholders Agreement and the Registration Rights Agreement at the closing; provided, that such designation will not relieve TZS of its obligations under the Investment Agreement or enlarge, alter or change any obligation of any other party or Total or due to any party or Total.

Shareholders Agreement

At the closing of the investment, TZS, Total and Maxeon Solar will enter into a Shareholders Agreement that contains provisions bearing on our governance and the ability of Total and TZS to buy, sell or vote their Maxeon Solar shares. Specifically:

- *Board Composition*. The Maxeon Solar Board will initially consist of 10 directors, including three Total designees, three TZS designees, three independent directors and our CEO. The Shareholders Agreement includes provisions adjusting the rights of each of Total and TZS to designate a particular number of directors depending on changes in their share ownership, including a provision allowing either shareholder, if they acquire at least 50% of the Maxeon Solar shares, to designate a majority of the directors. Each of Total and TZS lose the right to designate any directors if they hold less than 10% of the Maxeon Solar shares.
- *Board Committees*. So long as Total or TZS have the right to designate at least one director to the Maxeon Solar Board, each committee of the board will contain a board designee of such shareholder. If the other shareholder also has a right to designate at least one director, then the number of appointees to each committee for each shareholder shall be equal. All committees will have at least two independent directors.
- *Shareholder Approval*. So long as Total or TZS hold at least 20% of the Maxeon Solar shares, certain matters will require the approval of the board designees of Total or TZS, as the case may be. These matters include, without limitation, changes in organizational documents, certain business combinations, acquisitions and dispositions, incurrence of debt beyond a specified limit, payment of certain dividends, bankruptcy filings or the liquidation or dissolution of Maxeon Solar, certain transactions with Total or TZS, adopting a shareholders rights plan or changing the size of the Maxeon Board.
- *Independent Director Approval*. So long as either Total or TZS hold at least 15% of the Maxeon Solar shares, certain matters will require approval of a majority of the independent directors. These matters include, without limitation, changes in organizational documents, transactions presenting a conflict of interest between either Total or TZS on the one hand and Maxeon Solar on the other, bankruptcy filings or the liquidation or dissolution of Maxeon Solar, and amendments or waivers of the Shareholders Agreement.
- *Standstill Provisions*. The Shareholders Agreement limits the ability of Total or TZS to acquire additional shares in specified circumstances, subject to certain exceptions, including, among other things, upon exercise of the shareholder’s preemptive rights, or in certain public offerings.
- *Transfer Restrictions; Right of First Offer*. For two years after the agreement becomes effective, each of Total and TZS are required, subject to certain exceptions, to not dispose of ordinary shares if they

will cease to hold at least 20% of the Maxeon Solar shares (determined as set forth therein). Further, Total is required to not dispose of any shares during such two-year period if immediately prior to such disposal it holds fewer shares than TZS or if such disposal would cause Total to hold fewer shares than TZS (again, subject to certain exceptions). Each of Total and TZS has agreed that before they sell shares to third parties in block sales or negotiated transactions they will comply with the right of first offer in favor of the other shareholder included in the Shareholders Agreement.

- *Preemptive Rights*. The Shareholders Agreement grants to Total and TZS, in connection with any issuance of shares to a third party, the right to acquire newly issued shares from Maxeon Solar, subject to certain limitations in the Shareholders Agreement. This right terminates with respect to either Total or TZS when they cease to hold at least 10% of the Maxeon Solar shares.

Registration Rights Agreement

At the closing of the investment, we will enter into a Registration Rights Agreement with Total and TZS pursuant to which we will grant Total and TZS certain registration rights. Under the Registration Rights Agreement, Total and TZS will each generally have the right to require us to file a registration statement for the offer and sale of our shares owned by it, subject to certain limitations. In addition, if we register any of our securities either for our own account or the account of a security holder other than Total or TZS, Total and TZS will each have the right, subject to certain limitations, to include our shares owned by it in that registration. We will generally pay all expenses relating to any such registration, except for any underwriting discounts, selling commissions and stock transfer taxes. The Registration Rights Agreement also will provide for customary indemnification obligations of both us and Total and TZS in connection with any registration statement.

Agreements Between Us and TZS Not in Connection with TZS Investment

Performance Series Joint Ventures

In January 2016, SunPower entered into the Haunsheng joint venture with TZS, Dongfang Electric Corporation (“DEC”), and Yixing Qiting, originally known as Dongfang Huansheng Photovoltaic (Jiangsu) Co., Ltd.), and now called Huansheng Photovoltaic (Jiangsu) Co., Ltd. Huansheng is a Yixing, China based joint venture manufacturing mono-PERC solar cells and Performance Line solar panels. After capital increases since February 2017 and DEC’s sale of its 40% equity interest to TZS in September 2019, TZS owns a 77% equity stake in Huansheng, and we will own a 20% equity stake at the time of distribution.

Huansheng currently has a capacity to produce approximately 1.9 gigawatts per year of Performance Line solar panels. We have the right, but not the obligation, to take up to 33% of Huansheng’s capacity for sale directly into global distributed generation markets outside of China and power plant markets in the United States and Mexico regions, and a further 33% for sale into global power plant markets with the exception of China, the United States and Mexico through our marketing joint venture, which is described further below.

The joint venture agreements provide for proportional board representation for each of the parties and special voting rights, including the following matters which require a unanimous board vote:

- annual business plan and budget;
- dividend distribution; and
- patent and other intellectual property applications.

In the event of a deadlock that goes unresolved for two years, any party may request dissolution of the joint venture.

In February 2017, SunPower entered into a second marketing-focused joint venture with TZS and DEC, SunPower Systems International Limited (“SPSI”), which is an international sales company based in Hong Kong. DEC is in the process of selling its 10% interest in the joint venture to TZS, and following the completion of sale, TZS will own a 20% interest in SPSI. We will own an 80% equity stake in SPSI at the time of distribution.

SPSI has the right, but not the obligation, to take up to 33% of Huansheng's capacity (in addition to the 33% to which we are entitled) for sale into global power plant markets with the exception of China, the United States and Mexico.

The joint venture agreements for SPSI provide for similar board representation, voting, and deadlock rights as described above for Huansheng.

Huaxia CPV Power Joint Venture

We are also party to a joint venture with TZS and other partners to manufacture and deploy low-concentration photovoltaic concentrator technology in Inner Mongolia and other regions in China, called Huaxia CPV Power Co. Ltd. ("Huaxia CPV"). TZS owns a 40% equity interest in Huaxia CPV, and we will own a 25% equity stake at the time of distribution. Huaxia CPV is no longer an active business and is in the process of being wound down.

Hohhot Huanju New Energy Development Co., Ltd.

We are also party to a joint venture with TZS and another partner to develop and operate a large-scale solar power plant in Hohhot, Inner Mongolia, called Hohhot Huanju New Energy Development Co., Ltd. ("Huanju"). We will own a 4.6% equity stake and TZS will own a 61.2% equity stake in Huanju at the time of the spin-off.

Agreements Between Us and Total Not in Connection with TZS Investment

In November 2016, SunPower and Total entered into a four-year, up to 200-megawatt supply agreement to support the solarization of certain Total facilities. This agreement covers the supply of 150 megawatts of Maxeon 2 panels with an option to purchase up to another 50 megawatts of Performance Series solar panels. This agreement will be contributed by SunPower to us in connection with the spin-off, such that following the spin-off we will be obligated to supply the solar panels to Total in accordance with the terms of such agreement. In March 2017, we received a prepayment totaling $88.5 million. The prepayment is secured by certain of SunPower's and Maxeon Solar's assets located in the United States and Mexico. As of December 29, 2019, the advance payment from Total was $53.0 million, of which $17.6 million was classified as short-term in our Combined Balance Sheets, based on projected shipment dates.

During fiscal 2018, in connection with a co-development solar project in Japan among SunPower, Total, and an independent third party, we agreed to supply solar panels under this arrangement, with sales beginning in October 2019 and expected to occur through November 2020. In connection with obtaining solar module supply related to this project, we incurred charges of $1.2 million that will be paid directly to Total in fiscal year 2020.

We also co-developed a solar project in Chile with Total. In connection with obtaining solar module supply related to this project, we incurred charges of $4.9 million that will be paid directly to Total in fiscal year 2020.

Cash Extraction and Repayment of Intercompany Debt

In connection with the separation and immediately after the spin-off, one of our subsidiaries will purchase certain intangible property from SunPower for approximately $100.0 million and fund that payment with a combination of cash on hand and funds received in connection with the spin-off. See "Item 3. Key Information—3.B. Capitalization and Indebtedness" and "Item 4. Information on the Company—4.A. History and Development of the Company—The Spin-Off—Conditions to the Spin-Off" for more information.

7.C. INTERESTS OF EXPERTS AND COUNSEL

Not Applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. COMBINED STATEMENTS AND OTHER FINANCIAL INFORMATION

Please refer to pages F-1 through F-46 of this Form 20-F.

Legal Proceedings

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business. While we believe that the ultimate outcome of such matters will not have a material adverse effect on us, their outcomes are not determinable and negative outcomes may adversely affect our financial position, liquidity, or results of operations.

In addition, under the Separation and Distribution Agreement we entered into with SunPower in connection with the spin-off, SunPower has agreed to indemnify us for certain litigation claims to which certain of our subsidiaries are named the defendant or party. The liabilities related to these legal claims are reflected on our historical Combined Balance Sheet as of December 29, 2019. For more information, see “Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions.”

8.B. SIGNIFICANT CHANGES

A discussion of significant changes in our business can be found under Item 4.A. “Information on the Company—History and Development of the Company,” Item 4.B. “Information on the Company—Business Overview” and Item 5.A. “Operating and Financial Review and Prospects—Results of Operations.”

ITEM 9. THE OFFER AND LISTING

9.A. OFFER AND LISTING DETAILS

We are distributing our ordinary shares, no par value. Our shares do not have any price history.

9.B. PLAN OF DISTRIBUTION

Not Applicable.

9.C. MARKETS

It is expected that our shares will be listed for trading on the NASDAQ under the symbol “MAXN” and the ISIN code SGXZ25336314 and CUSIP code Y58473102.

9.D. SELLING SHAREHOLDERS

Not Applicable.

9.E. DILUTION

Not Applicable.

9.F. EXPENSES OF THE ISSUE

Not Applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. SHARE CAPITAL

Upon consummation of the spin-off but prior to the TZS investment, we will have 21,254,718 ordinary shares, no par value, issued and outstanding. No additional shares will be issued in connection with this registration statement.

For the purposes of this section, references to "shareholders" means those shareholders whose names and number of shares are entered in our register of members. Only persons who are registered in our register of members are recognized under Singapore law as shareholders of our company. As a result, only registered shareholders have legal standing to institute shareholder actions against us or otherwise seek to enforce their rights as shareholders.

We currently have only one class of issued and outstanding ordinary shares, which have identical rights in all respects and rank equally with one another. Our shares have no par value and there is no concept of authorized share capital under Singapore law. There is a provision in our Constitution to enable us in specified circumstances to issue shares with preferential, deferred or other special rights or restrictions as the Maxeon Solar Board may determine, subject to the prior approval of our shareholders at a general meeting, the provisions of the Singapore Companies Act and our Constitution.

All shares presently issued are fully paid and existing shareholders are not subject to any calls on shares. Although Singapore law does not recognize the concept of "non-assessability" with respect to newly issued shares, we note that any purchaser of our shares who has fully paid up all amounts due with respect to such shares will not be subject under Singapore law to any personal liability to contribute to the assets or liabilities of our company in such purchaser's capacity solely as a holder of such shares, except in very limited and exceptional circumstances where Singapore courts may consider it fit to "lift the corporate veil." We believe that this interpretation is substantively consistent with the concept of "non-assessability" under most, if not all, U.S. state corporation laws. All of our shares are in registered form. We cannot, except in the circumstances permitted by the Singapore Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our own shares.

For further information on our shares, see "Item 10.B. Memorandum and Articles of Association."

10.B. MEMORANDUM AND ARTICLES OF ASSOCIATION

The following description of our Constitution is a summary and is qualified by reference to the Constitution, a copy of which will be filed with the SEC. See also "Item 6. Directors, Senior Management and Employees—6.C. Board Practices."

New Shares

Under Singapore law, new shares may be issued only with the prior approval of our shareholders in a general meeting. General approval may be sought from our shareholders in a general meeting for the issue of shares. Approval, if granted, will lapse at the earlier of:

- the conclusion of the next annual general meeting;
- the expiration of the period within which the next annual general meeting is required by law to be held (i.e., within six months of our financial year end); and
- the subsequent revocation or modification of approval by our shareholders acting at a duly convened general meeting.

We expect that, prior to the spin-off, SunPower, as our sole shareholder, will provide such general authority to issue new shares until the conclusion of our next annual general meeting expected to be held by June 2021.

Subject to this and the provisions of the Singapore Companies Act and our Constitution, all new shares are under the control of the directors who may allot and issue new shares to such persons on such terms and conditions and with the rights and restrictions as they may think fit to impose.

Preference Shares

Under the Singapore Companies Act, different classes of shares in a public company may be issued only if (a) the issue of the class or classes of shares is provided for in the constitution of the public company and (b) the constitution of the public company sets out in respect of each class of shares the rights attached to that class of shares. Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as the Maxeon Solar Board may determine from time to time provided that it is approved by special resolution at a general meeting of our shareholders.

We may, subject to the Singapore Companies Act and the prior approval in a general meeting of our shareholders, issue preference shares which are, or at our option, subject to redemption provided that such preference shares may not be redeemed out of capital unless:

- all the directors have made a solvency statement in relation to such redemption; and
- we have lodged a copy of the solvency statement with the ACRA.

Further, the shares must be fully paid-up before they are redeemed.

Register of Members

Only persons who are registered in our register of members are recognized under Singapore law as shareholders of our company with legal standing to institute shareholder actions against us or otherwise seek to enforce their rights as shareholders. We will not, except as required by applicable law, recognize any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of that ordinary share. We may close our register of members for any time or times, provided that our register of members may not be closed for more than 30 days in the aggregate in any calendar year. We typically will close our register of members to determine shareholders' entitlement to receive dividends and other distributions.

The Maxeon Solar shares, which are expected to be listed and traded on NASDAQ, are expected to be held through The Depository Trust Company ("DTC"). Accordingly, DTC or its nominee, Cede & Co., will be the shareholder on record registered in our register of members. The holders of Maxeon Solar shares held in book-entry interests through DTC or its nominee may become a registered shareholder by exchanging its interest in such shares for certificated ordinary shares and being registered in our register of members in respect of such shares. The procedures by which a holder of book-entry interests held through the facilities of the DTC may exchange such interests for certificated ordinary shares are determined by DTC (including the broker, bank, nominee or other institution that holds the shares within DTC) and Computershare, which will act as our transfer agent, in accordance with their internal policies and guidelines regulating the withdrawal and exchange of book-entry interests for certificated ordinary shares.

If (a) the name of any person is without sufficient cause entered in or omitted from the register of members; or (b) default is made or there is unnecessary delay in entering in the register of members the fact of any person having ceased to be a member, the person aggrieved or any member of the company or the company, may apply to the Singapore courts for rectification of the register of members. The Singapore courts may either refuse the application or order rectification of the register of members, and may direct the company to pay any damages sustained by any party to the application. The Singapore courts will not entertain any application for the rectification of a register of members in respect of an entry which was made in the register of members more than 30 years before the date of the application.

Transfer of Ordinary Shares

Subject to applicable securities laws in relevant jurisdictions and our Constitution, our shares are freely transferable, fully paid and are not subject to further capital calls. Shares may be transferred by a duly signed instrument of transfer in any usual or common form or in a form acceptable to our directors and any applicable stock exchange. The directors may decline to register any transfer unless, among other things, evidence of payment of any stamp duty payable with respect to the transfer is provided together with other evidence as the directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his or her behalf, the authority of the person to do so. We will replace lost or destroyed certificates for shares upon notice to us and upon, among other things, the applicant furnishing evidence and indemnity as the directors may require and the payment of all applicable fees.

Shareholders who hold Maxeon Solar shares electronically in book-entry form through the facilities of the DTC and that wish to become registered shareholders must contact the broker, bank, nominee or other institution that holds their shares and complete a transfer of these shares from DTC to themselves (by transferring such shares to an account maintained by Computershare, our transfer agent and registrar) according to the procedures established by DTC, such broker, bank, nominee or other institution and Computershare.

Election and Re-election of Directors

Under our Constitution, our shareholders by ordinary resolution, or the Maxeon Solar Board, may appoint any person to be a director as an additional director or to fill a casual vacancy, provided that any person so appointed by the Maxeon Solar Board shall hold office only until the next annual general meeting, and shall then be eligible for re-election.

Shareholders' Meetings

We are required to hold an annual general meeting within six months after the end of each financial year. Our first financial year will end on January 3, 2021 and subsequent financial years will end on the last day of a period of 12 months after the end of the previous financial year. The directors may convene an extraordinary general meeting whenever they think fit and they must do so upon the written request of shareholders representing not less than one-tenth of the paid-up shares as at the date of deposit carries the right to vote at general meetings (disregarding paid-up capital held as treasury shares). In addition, two or more shareholders holding not less than one-tenth of our total number of issued shares (excluding our treasury shares) may call a meeting of our shareholders. The Singapore Companies Act requires not less than:

- 14 days' written notice to be given by us of a general meeting to pass an ordinary resolution; and
- 21 days' written notice to be given by us of a general meeting to pass a special resolution,

to every member. Our Constitution further provides that in computing the notice period, both the day on which the notice is served, or deemed to be served, and the day on which the meeting is to be held shall be excluded.

The Singapore Companies Act provides that a shareholder is entitled to attend any general meeting and speak and vote on any resolution put before the general meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring the affirmative vote of a simple majority of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution. An ordinary resolution suffices, for example, for appointments of directors. A special resolution, requiring an affirmative vote of not less than three-fourths of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution, is necessary for certain matters under Singapore law, such as an alteration of our Constitution.

Voting Rights

Voting at any meeting of shareholders is by a show of hands unless a poll is required by the rules and regulations of any applicable stock exchange or duly demanded before or on the declaration of the result of the show of hands. If voting is by a show of hands, every shareholder who is entitled to vote and who is present in person or by proxy at the meeting has one vote. On a poll, every shareholder who is present in person or by proxy or by attorney, or in the case of a corporation, by a representative, has one vote for every share held by such shareholder or which such shareholder represents. Proxies need not be shareholders.

Only those shareholders who are registered in our register of members will be entitled to vote at any meeting of shareholders. Where our shares are held through the facilities of the DTC, DTC will grant an omnibus proxy to DTC participants holding Maxeon Solar shares in book-entry form through a broker, bank, nominee, or other institution that is a direct or indirect participant of DTC. Such shareholders will have the right to instruct their broker, bank, nominee or other institution holding these shares on how to vote such shares by completing the voting instruction form provided by the applicable broker, bank, nominee, or other institution. Whether voting is by a show of hands or by a poll, DTC's vote will be voted by the chairman of the meeting according to the results of the votes of the DTC participants (which results will reflect the instructions received from shareholders that own Maxeon Solar shares electronically in book-entry form). In the case of a tie vote, the chairman of the meeting shall be entitled to a casting vote.

Dividends

All of our shareholders have the right to participate in any dividends. We have no current plans to pay annual or semi-annual cash dividends. However, although we have no plan to do so, in the event that we divest a portion of, or our entire equity interest in, any of our businesses, we may distribute such cash proceeds or declare a distribution-in-kind of shares in our businesses. No dividend may be paid except out of profits and we do not expect to have any distributable profits at the time of the spin-off. Any dividends would be limited by the amount of available distributable reserves, which, under Singapore law, will be assessed on the basis of our standalone unconsolidated accounts (which will be based upon the Singapore Financial Reporting Standards (International)). We expect that the opening balance of our retained earnings in such financials will be zero. However, under Singapore law, it is possible to effect a capital reduction exercise to return cash and/or assets to our shareholders. The completion of a capital reduction exercise may require the approval of the Singapore Courts, and we may not be successful in our attempts to obtain such approval.

Additionally, because we are a holding company, our ability to pay cash dividends, or declare a distribution-in-kind of the ordinary shares of any of our businesses, may be limited by restrictions on our ability to obtain sufficient funds through dividends from our businesses, including restrictions under the terms of the agreements governing the indebtedness of our businesses. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of the Maxeon Solar Board and will depend upon such factors as earnings levels, capital requirements, contractual restrictions, our overall financial condition, available distributable reserves and any other factors deemed relevant by the Maxeon Solar Board. Generally, a final dividend is declared out of profits disclosed by the accounts presented to the annual general meeting, and requires approval of our shareholders. However, the Maxeon Solar Board may declare interim dividends without approval of our shareholders.

Bonus and Rights Issues

In a general meeting, our shareholders may, upon the recommendation of the directors, capitalize any reserves or profits and distribute them as fully paid bonus shares to the shareholders in proportion to their shareholdings.

Singapore Code on Take-Overs and Mergers

The Singapore Code on Take-overs and Mergers regulates, among other things, the acquisition of voting shares of Singapore-incorporated public companies with more than 50 shareholders and net tangible assets of S$5.0 million or more. Any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with such person, in 30% or more of our voting shares, or, if such person holds, either on his own or together with parties acting in concert with such person, between 30% and 50% (both amounts inclusive) of our voting shares, and if such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of our voting shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a mandatory take-over offer for all the remaining voting shares in accordance with the provisions of the Singapore Code on Take-overs and Mergers. Responsibility for ensuring compliance with the Singapore Code on Take-overs and Mergers rests with parties (including company directors) to a take-over or merger and their advisors.

Under the Singapore Code on Take-overs and Mergers, "parties acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They include:

- a company and its parent company, subsidiaries or fellow subsidiaries (together, the related companies), the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company and its directors (together with close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis but only in respect of the investment account which such person manages;
- a financial or other professional adviser, including a stockbroker, and its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser;
- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent partners; and
- an individual and such person's close relatives, related trusts, any person who is accustomed to act in accordance with such person's instructions and companies controlled by the individual, such person's close relatives, related trusts or any person who is accustomed to act in accordance with such person's instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

Subject to certain exceptions, a mandatory takeover offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the six months prior to its commencement.

Under the Singapore Code on Take-overs and Mergers, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. In the case where our company has more than one class of equity share capital, a comparable take-over offer must be made for each class of shares in accordance with the Singapore Code on Take-overs and Mergers and the Securities Industry Council should be consulted in advance in such cases. In addition, an offeror must

treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the take-over offer must be given sufficient information, advice and time to enable them to make an informed decision on the offer. These legal requirements may impede or delay a takeover of our company by a third party.

The Singapore Code on Take-overs and Mergers generally provides that the board of directors of the offeree company should bring an offer to its shareholders in accordance with the Singapore Code on Takeovers and Mergers and refrain from an action which will deny the shareholders from the possibility to decide on the offer.

On January 30, 2020, the Securities Industry Council of Singapore waived application of the Singapore Code on Take-overs and Mergers to us, subject to certain conditions. Pursuant to the waiver, for as long as we are not listed on a securities exchange in Singapore, and except in the case of a tender offer (within the meaning of U.S. securities laws) where the Tier 1 Exemption is available and the offeror relies on the Tier 1 Exemption to avoid full compliance with the tender offer rules promulgated under the Exchange Act, the Singapore Code on Take-overs and Mergers shall not apply to us. In connection with receipt of the waiver, the SunPower Board submitted to the Securities Industry Council of Singapore a written confirmation to the effect that it is in the interests of SunPower shareholders who will become holders of Maxeon Solar shares as a result of the spin-off that a waiver of the provisions of the Singapore Code on Take-overs and Mergers is obtained.

Liquidation or Other Return of Capital

On a winding-up or other return of capital, subject to any special rights attaching to any other class of shares, holders of shares will be entitled to participate in any surplus assets in proportion to their shareholdings.

Limitations on Rights to Hold or Vote Ordinary Shares

Except as discussed above under "—Singapore Code on Take-Overs and Mergers," there are no limitations imposed by the laws of Singapore or by our Constitution on the right of non-resident shareholders to hold or vote with respect to ordinary shares, nor does our Constitution discriminate against any existing or prospective shareholder as a result of such shareholder owning a substantial number of Maxeon Solar shares.

Limitations of Liability and Indemnification Matters

Pursuant to the Singapore Companies Act, any provision (whether in the constitution, a contract with the company or otherwise) that purports to exempt or indemnify the officers of a company (including directors) (to any extent) against any liability which by law would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust in relation to the company is void, of which they may be guilty in relation to us. However, the Singapore Companies Act specifically provides that we are allowed to:

- purchase and maintain for any officer insurance against any liability which by law would otherwise attach to such officer in respect of any negligence, default, breach of duty or breach of trust of which such officer may be guilty in relation to us;
- indemnify any officer against liability incurred by the officer to a person other than the company, except when the indemnity is against: (a) any liability of the officer to pay: (i) a fine in criminal proceedings; or (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or; (b) any liability incurred by the officer: (i) in defending criminal proceedings in which the officer is convicted; (ii) in defending civil proceedings brought by the company or a related company in which judgment is given against the officer; or (iii) in connection with an application for relief under Sections 76A(13) or 391 of the Singapore Companies Act in which the court refuses to grant the officer relief;
- indemnify any auditor against any liability incurred or to be incurred by such auditor in defending any proceedings (whether civil or criminal) in which judgment is given in such auditor's favor or in which such auditor is acquitted; or

- indemnify any auditor against any liability incurred or to be incurred by such auditor in connection with any application under Sections 76A(13) or 391 of the Singapore Companies Act in which relief is granted to such auditor by the court.

Our Constitution provides that, subject to the provisions of the Singapore Companies Act and any other applicable law, every director, chief executive officer, auditor, secretary or other officer of our company shall be entitled to be indemnified by our company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him or her in the execution and discharge of his or her duties (and where he serves at our request as a director, officer, employee or agent of any of our subsidiaries or affiliates) or in relation thereto and in particular and without prejudice to the generality of the foregoing, no director, secretary or other officer of our company shall be liable for the acts, receipts, neglects or defaults of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to our company through the insufficiency or deficiency of title to any property acquired by order of the directors for or on behalf of our company or for the insufficiency or deficiency of any security in or upon which any of the moneys of our company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen to or be incurred by our company in the execution of the duties of his or her office or in relation thereto unless the same shall happen through his or her own negligence, willful default, breach of duty or breach of trust.

The limitation of liability and indemnification provisions in our Constitution may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our shareholders. A shareholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

Comparison of Shareholder Rights

We are incorporated under the laws of Singapore. The following discussion summarizes material differences between the rights of holders of our shares and the rights of holders of the common stock of a typical corporation incorporated under the laws of the state of Delaware which result from differences in governing documents and the laws of Singapore and Delaware.

This discussion does not purport to be a complete statement of the rights of holders of our shares under applicable law in Singapore and our Constitution or the rights of holders of the common stock of a typical corporation under applicable Delaware law and a typical certificate of incorporation and bylaws. This discussion is qualified by reference to the applicable laws in Singapore and Delaware.

Delaware	Singapore—Maxeon Solar
Board of Directors	
A typical certificate of incorporation and bylaws would provide that the number of directors on the board of directors will be fixed from time to time by a vote of the majority of the authorized directors. Under Delaware law, a board of directors can be divided into classes and cumulative voting in the election of directors is only permitted if expressly authorized in a corporation's certificate of incorporation.	The constitutions of companies will typically state the minimum and maximum number of directors as well as provide that the number of directors may be increased or reduced by shareholders via ordinary resolution passed at a general meeting, provided that the number of directors following such increase or reduction is within the maximum and minimum number of directors provided in the constitution and the Singapore Companies Act, respectively.

Delaware	Singapore—Maxeon Solar
	Our Constitution provides that, unless otherwise determined by a general meeting, the minimum number of directors is two and the maximum number is 10.
Limitation on Personal Liability of Directors	
A typical certificate of incorporation provides for the elimination of personal monetary liability of directors for breach of fiduciary duties as directors to the fullest extent permissible under the laws of Delaware, except for liability (i) for any breach of a director's loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law (relating to the liability of directors for unlawful payment of a dividend or an unlawful stock purchase or redemption) or (iv) for any transaction from which the director derived an improper personal benefit. A typical certificate of incorporation would also provide that if the Delaware General Corporation Law is amended so as to allow further elimination of, or limitations on, director liability, then the liability of directors will be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law as so amended.	Pursuant to the Singapore Companies Act, any provision (whether in the constitution, contract or otherwise) exempting or indemnifying a director against any liability for negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company will be void. Our Constitution provides that, subject to the provisions of the Singapore Companies Act and any other applicable law, every director, chief executive officer, auditor, secretary or other officer of Maxeon Solar and its subsidiaries and affiliates shall be entitled to be indemnified by us against all costs, charges, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of Maxeon Solar, and in which judgment is given in his favor (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted, or in connection with an application under statute in respect of such act or omission in which relief is granted to him by the court.
Interested Shareholders	
Section 203 of the Delaware General Corporation Law generally prohibits a Delaware corporation from engaging in specified corporate transactions (such as mergers, stock and asset sales, and loans) with an "interested stockholder" for three years following the time that the stockholder becomes an interested stockholder. Subject to specified exceptions, an "interested stockholder" is a person or group that owns 15% or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of the voting stock at any time within the previous three years.	There are no comparable provisions in Singapore with respect to public companies which are not listed on the Singapore Exchange Securities Trading Limited.

Delaware	Singapore—Maxeon Solar
A Delaware corporation may elect to "opt out" of, and not be governed by, Section 203 through a provision in either its original certificate of incorporation, or an amendment to its original certificate or bylaws that was approved by majority stockholder vote. With a limited exception, this amendment would not become effective until 12 months following its adoption.	
Removal of Directors	
A typical certificate of incorporation and bylaws provide that, subject to the rights of holders of any preferred stock, directors may be removed at any time by the affirmative vote of the holders of at least a majority, or in some instances a supermajority, of the voting power of all of the then outstanding shares entitled to vote generally in the election of directors, voting together as a single class. A certificate of incorporation could also provide that such a right is only exercisable when a director is being removed for cause (removal of a director only for cause is the default rule in the case of a classified board).	According to the Singapore Companies Act, directors of a public company may be removed before expiration of their term of office with or without cause by ordinary resolution. Notice of the intention to move such a resolution has to be given to the company not less than 28 days before the meeting at which it is moved. The company shall then give notice of such resolution to its shareholders not less than 14 days before the meeting. Where any director removed in this manner was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove such director will not take effect until such director's successor has been appointed. Our Constitution provides that we may by ordinary resolution of which special notice has been given, remove any director before the expiration of his period of office, notwithstanding anything in our Constitution or in any agreement between us and such director and appoint another person in place of the director so removed.
Filling Vacancies on the Board of Directors	
A typical certificate of incorporation and bylaws provide that, subject to the rights of the holders of any preferred stock, any vacancy, whether arising through death, resignation, retirement, disqualification, removal, an increase in the number of directors or any other reason, may be filled by a majority vote of the remaining directors, even if such directors remaining in office constitute less than a quorum, or by the sole remaining director. Any newly elected director usually holds office for the remainder of the full term expiring at the annual meeting of stockholders at which the term of the class of directors to which the newly elected director has been elected expires.	The constitution of a Singapore company typically provides that the directors have the power to appoint any person to be a director, either to fill a vacancy or as an addition to the existing directors, but so that the total number of directors will not at any time exceed the maximum number fixed in the constitution. Any newly elected director shall hold office until the next following annual general meeting, where such director will then be eligible for reelection. Our Constitution provides that the shareholders may by ordinary resolution, or the directors may, appoint any person to be a director as an additional director or to fill a vacancy provided that the total number of directors shall not thereby exceed the maximum number fixed by or in accordance with the Constitution and any person so appointed by the directors will only hold office until the next annual

Delaware	Singapore—Maxeon Solar
	general meeting, and will then be eligible for re-election.
Amendment of Governing Documents	
Under the Delaware General Corporation Law, amendments to a corporation's certificate of incorporation require the approval of stockholders holding a majority of the outstanding shares entitled to vote on the amendment. If a class vote on the amendment is required by the Delaware General Corporation Law, a majority of the outstanding stock of the class is required, unless a greater proportion is specified in the certificate of incorporation or by other provisions of the Delaware General Corporation Law. Under the Delaware General Corporation Law, the board of directors may amend bylaws if so authorized in the charter. The stockholders of a Delaware corporation also have the power to amend bylaws.	The Singapore Companies Act provides that the constitution of a company may be altered by special resolution. The board of directors has no right to amend the constitution.
Meetings of Shareholders	
Annual and Special Meetings Typical bylaws provide that annual meetings of stockholders are to be held on a date and at a time fixed by the board of directors. Under the Delaware General Corporation Law, a special meeting of stockholders may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or the bylaws.	*Annual General Meetings* All companies are required to hold an annual general meeting within a fixed period after the end of each financial year. We are required to hold an annual meeting within six months after the end of each financial year. Our first financial year will end on January 3, 2021 and subsequent financial years will end on the last day of a period of 12 months after the end of the previous financial year. *Extraordinary General Meetings* Any general meeting other than the annual general meeting is called an "extraordinary general meeting." Two or more members (shareholders) holding not less than 10% of the total number of issued shares (excluding treasury shares) may call an extraordinary general meeting. In addition, the constitution usually also provides that general meetings may be convened in accordance with the Singapore Companies Act by the directors. Notwithstanding anything in the constitution, the directors are required to convene a general meeting if required to do so by requisition (i.e., written notice to directors requiring that a meeting be called) by shareholder(s) holding not less than 10% of the total number of paid-up shares of the company carrying voting rights.

Delaware	Singapore—Maxeon Solar
	Our Constitution provides that the directors may, whenever they think fit, convene an extraordinary general meeting.
Quorum Requirements Under the Delaware General Corporation Law, a corporation's certificate of incorporation or bylaws can specify the number of shares which constitute the quorum required to conduct business at a meeting, provided that in no event shall a quorum consist of less than one-third of the shares entitled to vote at a meeting.	*Quorum Requirements* Our Constitution provides that, unless otherwise provided, the quorum at any general meeting shall be two members present in person. In the event a quorum is not present, the meeting shall stand adjourned to the same day in the next week (or, if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the directors may determine.
Indemnification of Officers, Directors and Employers	
Under the Delaware General Corporation Law, subject to specified limitations in the case of derivative suits brought by a corporation's stockholders in its name, a corporation may indemnify any person who is made a party to any third-party action, suit or proceeding on account of being a director, officer, employee or agent of the corporation (or was serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding through, among other things, a majority vote of a quorum consisting of directors who were not parties to the suit or proceeding, if the person: • acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or, in some circumstances, at least not opposed to its best interests; and • in a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Delaware corporate law permits indemnification by a corporation under similar circumstances for expenses (including attorneys' fees) actually and reasonably incurred by such persons in connection with the defense or settlement of a derivative action or suit, except that no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which the action or suit was brought determines upon application that the person is	Pursuant to the Singapore Companies Act, any provision (whether in the constitution, contract or otherwise) that purports to exempt or indemnify a director (to any extent) against any liability for negligence, default, breach of duty or breach of trust of which the director may be guilty in relation to the company will be void. However, the Singapore Companies Act specifically provides that we are allowed to: • purchase and maintain for any officer insurance against any liability which by law would otherwise attach to such officer in respect of any negligence, default, breach of duty or breach of trust of which such officer may be guilty in relation to us; • indemnify any officer against liability incurred by the officer to a person other than the company, except when the indemnity is against: (a) any liability of the officer to pay: (i) a fine in criminal proceedings; or (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or; (b) any liability incurred by the officer: (i) in defending criminal proceedings in which he is convicted; (ii) in defending civil proceedings brought by the company or a related company in which judgment is given against him; or (iii) in connection with an application for relief under Sections 76A(13) or 391 of the Singapore Companies Act in which the court refuses to grant him relief; • indemnify any auditor against any liability incurred or to be incurred by such auditor in

Delaware	Singapore—Maxeon Solar
fairly and reasonably entitled to indemnity for the expenses which the court deems to be proper. To the extent a director, officer, employee or agent is successful in the defense of such an action, suit or proceeding, the corporation is required by Delaware corporate law to indemnify such person for reasonable expenses incurred thereby. Expenses (including attorneys' fees) incurred by such persons in defending any action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of that person to repay the amount if it is ultimately determined that that person is not entitled to be so indemnified.	defending any proceedings (whether civil or criminal) in which judgment is given in such auditor's favor or in which such auditor is acquitted; and/or • indemnify any auditor against any liability incurred or to be incurred by such auditor in connection with any application under Sections 76A(13) or 391 of the Singapore Companies Act in which relief is granted to such auditor by the court. In cases where, inter alia, an officer is sued by us the Singapore Companies Act gives the court the power to relieve directors either wholly or partially from the consequences of their negligence, default, breach of duty or breach of trust. However, Singapore case law has indicated that such relief will not be granted to a director who has benefited as a result of his or her breach of trust. In order for relief to be obtained, it must be shown that (i) the director acted reasonably; (ii) the director acted honestly; and (iii) it is fair, having regard to all the circumstances of the case including those connected with such director's appointment, to excuse the director for the negligence, default or breach. Our Constitution provides that, subject to the provisions of the Singapore Companies Act and any other applicable law, every director, chief executive officer, auditor, secretary or other officer of Maxeon Solar shall be entitled to be indemnified by us against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of Maxeon Solar, and in which judgment is given in his favor (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted, or in connection with an application under any statute for relief from liability in respect of such act or omission in which relief is granted to him by the court.
Shareholder Approval of Business Combinations	
Generally, under the Delaware General Corporation Law, completion of a merger, consolidation, or the sale, lease or exchange of substantially all of a corporation's assets or dissolution requires approval by the board of directors and by a majority (unless the certificate of	The Singapore Companies Act mandates that specified corporate actions require approval by the shareholders in a general meeting, notably: • notwithstanding anything in our Constitution, directors are not permitted to carry into effect

Delaware	Singapore—Maxeon Solar
incorporation requires a higher percentage) of outstanding stock of the corporation entitled to vote. The Delaware General Corporation Law also requires a special vote of stockholders in connection with a business combination with an "interested stockholder" as defined in section 203 of the Delaware General Corporation Law. For further information on such provisions, see "*—Interested Shareholders*" above.	any proposals for disposing of the whole or substantially the whole of our undertaking or property unless those proposals have been approved by shareholders in a general meeting; • the company may by special resolution resolve that it be wound up voluntarily; • subject to the constitution of each amalgamating company, an amalgamation proposal must be approved by the shareholders of each amalgamating company via special resolution at a general meeting; • a compromise or arrangement proposed between a company and its shareholders, or any class of them, must, among other things, be approved by a majority in number representing three-fourths in value of the total voting rights of the shareholders or class of shareholders present and voting either in person or by proxy at the meeting ordered by the court; and • notwithstanding anything in our Constitution, the directors may not, without the prior approval of shareholders, issue shares, including shares being issued in connection with corporate actions.
Shareholder Action Without a Meeting	
Under the Delaware General Corporation Law, unless otherwise provided in a corporation's certificate of incorporation, any action that may be taken at a meeting of stockholders may be taken without a meeting, without prior notice and without a vote if the holders of outstanding stock, having not less than the minimum number of votes that would be necessary to authorize such action, consent in writing. It is not uncommon for a corporation's certificate of incorporation to prohibit such action.	There are no equivalent provisions under the Singapore Companies Act in respect of passing shareholders' resolutions by written means that apply to public companies the securities of which are listed for quotation or quoted on an approved exchange in Singapore or any securities exchange outside Singapore.
Shareholder Suits	
Under the Delaware General Corporation Law, a stockholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation. An individual also may commence a class action suit on behalf of himself or herself and other similarly situated stockholders where the requirements for maintaining a class action under the Delaware General Corporation Law have been met. A person may institute and maintain such a suit only if such person was a stockholder at the time of the transaction which is the subject of the suit or his or her shares thereafter	*Standing* Only persons who are registered in our share register are recognized under Singapore law as shareholders of our company. As a result, only registered shareholders have legal standing to institute shareholder actions against us or otherwise seek to enforce their rights as shareholders. Holders of book-entry interests in our shares will be required to exchange their book-entry interests for certificated shares and to be registered as shareholders in our share register in order to institute or enforce any legal

Delaware	Singapore—Maxeon Solar
devolved upon him or her by operation of law. Additionally, under Delaware case law, the plaintiff generally must be a stockholder not only at the time of the transaction which is the subject of the suit, but also through the duration of the derivative suit. The Delaware General Corporation Law also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff, unless such demand would be futile.	proceedings or claims against us, our directors or our executive officers relating to shareholders rights. A holder of book-entry interests may become a registered shareholder of our company by exchanging its interest in our shares for certificated shares and being registered in our share register. *Personal remedies in cases of oppression of justice* A shareholder may apply to the court for an order under the Singapore Companies Act to remedy situations where (i) the company's affairs are being conducted or other powers of the company's directors are being exercised in a manner oppressive to, or in disregard of the interests of one or more of the shareholders or holders of debentures of the company, including the applicant; or (ii) the company has done an act, or threatens to do an act, or the shareholders or holders of debentures have passed some resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the company's shareholders or holders of debentures, including the applicant. Singapore courts have wide discretion as to the relief they may grant under such application, including, *inter alia*, directing or prohibiting any act or canceling or varying any transaction or resolution, providing that the company be wound up or authorizing civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs. *Derivative actions* The Singapore Companies Act has a provision which provides a mechanism enabling shareholders to apply to the court for leave to bring a derivative action on behalf of us. Applications are generally made by our shareholders or individual directors, but courts are given the discretion to allow such persons as they deem proper to apply (e.g., beneficial owner of shares) in the appropriate circumstances. It should be noted that this provision of the Singapore Companies Act is primarily used by minority shareholders to bring an action or arbitration in the name and on behalf of us or intervene in an action or arbitration to which we are a party for the purpose of

Delaware	Singapore—Maxeon Solar
	prosecuting, defending or discontinuing the action or arbitration on behalf of us. *Class actions* The concept of class action suits, which allows individual shareholders to bring an action seeking to represent the class or classes of shareholders, generally does not exist in Singapore. However, it is possible as a matter of procedure for a number of shareholders to lead an action and establish liability on behalf of themselves and other shareholders who join in or who are made parties to the action. These shareholders are commonly known as "representative plaintiffs." Further, there are circumstances under the provisions of certain Singapore statutes where shareholders may file and prove their claims for compensation in the event that we have been convicted of a criminal offense or has a court order for the payment of a civil penalty made against it.
Dividends or Other Distributions; Repurchases and Redemptions	
The Delaware General Corporation Law permits a corporation to declare and pay dividends out of statutory surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and/or for the preceding fiscal year as long as the amount of capital of the corporation following the declaration and payment of the dividend is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. Under the Delaware General Corporation Law, any corporation may purchase or redeem its own shares, except that generally it may not purchase or redeem these shares if the capital of the corporation is impaired at the time or would become impaired as a result of the redemption. A corporation may, however, purchase or redeem out of capital shares that are entitled upon any distribution of its assets to a preference over another class or series of its shares if the shares are to be retired and the capital reduced.	The Singapore Companies Act provides that no dividends can be paid to shareholders except out of profits. The Singapore Companies Act does not provide a definition on when profits are deemed to be available for the purpose of paying dividends and this is accordingly governed by case law. Our Constitution provides that no dividend can be paid otherwise than out of our profits available for distribution under the provisions of the Singapore Companies Act. *Acquisition of a company's own shares* The Singapore Companies Act generally prohibits a company from acquiring its own shares or purporting to acquire the shares of its holding company or ultimate holding company, whether directly or indirectly, in any way, subject to certain exceptions. Any contract or transaction by which a company acquires or purports to acquire its own shares is void, subject to the exceptions described below. However, provided that we are expressly permitted to do so by our Constitution and subject to the special conditions

Delaware	Singapore—Maxeon Solar
	of each permitted acquisition contained in the Singapore Companies Act, we may: • redeem redeemable preference shares (the redemption of these shares will not reduce our capital) on such and in such manner as is provided by our Constitution. Preference shares may be redeemed out of capital only if all the directors make a solvency statement in relation to such redemption in accordance with the Singapore Companies Act; • whether listed on a securities exchange or not, make an off-market purchase of our own shares in accordance with an equal access scheme authorized in advance at a general meeting; • make a selective off-market purchase of our own shares in accordance with an agreement authorized in advance at a general meeting by a special resolution where persons whose shares are to be acquired and their associated persons have abstained from voting; and • whether listed on a securities exchange or not, make an acquisition of our own shares under a contingent purchase contract which has been authorized in advance at a general meeting by a special resolution. We may also purchase our own shares by an order of a Singapore court. The total number of shares that may be acquired by us in a relevant period may not exceed 20% of the total number of shares in that class as of the date of the resolution to acquire the shares. Where, however, we have reduced our share capital by a special resolution or a Singapore court made an order to such effect, the total number of shares shall be taken to be the total number of shares in that class as altered by the special resolution or the order of the court. Payment must be made out of our distributable profits or capital, provided that we are solvent. *Financial assistance for the acquisition of shares* We may not give financial assistance to any person whether directly or indirectly for the purpose of: • the acquisition or proposed acquisition of our shares or units of such shares; or

Delaware	Singapore—Maxeon Solar
	• the acquisition or proposed acquisition of shares in a holding company or ultimate holding company or units of such shares. Financial assistance may take the form of a loan, the giving of a guarantee, the provision of security, the release of an obligation, the release of a debt or otherwise. However, it should be noted that we may provide financial assistance for the acquisition of our shares or shares in our holding company or ultimate holding company if we comply with the requirements (including, where applicable, approval by special resolution) set out in the Singapore Companies Act. Our Constitution provides that subject to the provisions of the Singapore Companies Act and any other applicable law, we may purchase or otherwise acquire our own shares upon such terms and subject to such conditions as we may deem fit. These shares may be held as treasury shares or cancelled as provided in the Singapore Companies Act or dealt with in such manner as may be permitted under the Singapore Companies Act. On cancellation of the shares, the rights and privileges attached to those shares will expire.
Transactions with Officers and Directors	
Under the Delaware General Corporation Law, some contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable because of such interest provided that some conditions, such as obtaining the required approval and fulfilling the requirements of good faith and full disclosure, are met. Under the Delaware General Corporation Law, either (a) the stockholders or the board of directors must approve in good faith any such contract or transaction after full disclosure of the material facts or (b) the contract or transaction must have been "fair" as to the corporation at the time it was approved. If board approval is sought, the contract or transaction must be approved in good faith by a majority of disinterested directors after full disclosure of material facts, even though less than a majority of a quorum.	Under the Singapore Companies Act, directors and the chief executive officer are not generally prohibited from dealing with us, but where they have an interest in a transaction with us, that interest must be disclosed to the board of directors and Maxeon Solar. In particular, every director or chief executive officer who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with us must, as soon as practicable after the relevant facts have come to such director's or chief executive officer's knowledge, declare the nature of such director's or chief executive officer's interest at a board of directors' meeting or send a written notice to the company. In addition, a director or chief executive officer who holds any office or possesses any property which, directly or indirectly, might create interests in conflict with such person's duties or interests as director or chief executive officer, is required to declare the fact and the nature, character and extent of the conflict at a meeting of directors or send a written notice to the company setting out the fact and the nature, character and extent of the conflict.

Delaware	Singapore—Maxeon Solar
	The Singapore Companies Act extends the scope of this statutory duty of a director or chief executive officer to disclose any interests by pronouncing that an interest of a member of a director's or chief executive officer's family (including spouse, son, adopted son, step-son, daughter, adopted daughter and stepdaughter) will be treated as an interest of the director or of the chief executive officer, as the case may be. There is however no requirement for disclosure where the interest of the director or chief executive officer consists only of being a member or creditor of a corporation which is interested in the proposed transaction with us if the interest may properly be regarded as immaterial. Where the proposed transaction relates to any loan to us, no disclosure need be made where the director or chief executive officer has only guaranteed or joined in guaranteeing the repayment of such loan, unless the constitution provides otherwise. Further, where the proposed transaction is to be made with or for the benefit of a related corporation (i.e. the holding company, subsidiary or subsidiary of a common holding company) no disclosure need be made of the fact that the director or chief executive officer is also a director or chief executive officer of that corporation, unless the constitution provides otherwise. Subject to specified exceptions, the Singapore Companies Act prohibits us from: (i) making a loan or a quasi-loan to our directors or to directors of a related corporation; (ii) entering into any guarantee or providing any security in connection with such a loan or quasi-loan; (iii) entering into a credit transaction as creditor for the benefit of our directors or directors of a related corporation; (iv) giving a guarantee or security in connection with such a credit transaction; (v) taking part in an arrangement under which another person enters into a transaction which, if entered into by us, would have been a restricted transaction and such person obtains a benefit from us or a related corporation pursuant thereto; and (vi) arranging an assignment to or assumption by us of any rights, obligations, or liabilities under a transaction which, if it had been entered into by us, would have been a restricted transaction. Companies are also prohibited from doing any of the foregoing in relation to its directors' spouse or children (whether adopted or naturally or stepchildren).

Delaware	Singapore—Maxeon Solar
Dissenters' Rights	
Under the Delaware General Corporation Law, a stockholder of a corporation participating in some types of major corporate transactions may, under varying circumstances, be entitled to appraisal rights pursuant to which the stockholder may receive cash in the amount of the fair market value of his or her shares in lieu of the consideration he or she would otherwise receive in the transaction.	There are no equivalent provisions under the Singapore Companies Act.
Cumulative Voting	
Under the Delaware General Corporation Law, a corporation may adopt in its bylaws that its directors shall be elected by cumulative voting. When directors are elected by cumulative voting, a stockholder has the number of votes equal to the number of shares held by such stockholder times the number of directors nominated for election. The stockholder may cast all of such votes for one director or among the directors in any proportion.	There is no equivalent provision under the Singapore Companies Act in respect of companies incorporated in Singapore.
Anti-Takeover Measures	
Under the Delaware General Corporation Law, the certificate of incorporation of a corporation may give the board the right to issue new classes of preferred stock with voting, conversion, dividend distribution, and other rights to be determined by the board at the time of issuance, which could prevent a takeover attempt and thereby preclude shareholders from realizing a potential premium over the market value of their shares. In addition, Delaware law does not prohibit a corporation from adopting a stockholder rights plan, or "poison pill," which could prevent a takeover attempt and also preclude shareholders from realizing a potential premium over the market value of their shares.	The constitution of a Singapore company typically provides that the company may allot and issue new shares of a different class with preferential, deferred, qualified or other special rights as its board of directors may determine with the prior approval of the company's shareholders in a general meeting. Subject to the requirements under the Singapore Companies Act and our Constitution, our shareholders may grant to the Maxeon Solar Board the general authority to issue such preference shares until the next general meeting. Singapore law does not generally prohibit a corporation from adopting "poison pill" arrangements which could prevent a takeover attempt and also preclude shareholders from realizing a potential premium over the market value of their shares. However, under the Singapore Code on Take- overs and Mergers, if, in the course of an offer, or even before the date of the offer, the board of the offeree company has reason to believe that a bona fide offer is imminent, the board must not, except pursuant to a contract entered into earlier, take any action, without the approval of shareholders at a general meeting, on the affairs of the offeree company that could effectively result in any bona fide offer being frustrated or the shareholders being denied an opportunity to decide on its merits. For further information on the Singapore Code on Take-overs and Mergers, see "—Takeovers."

10.C. MATERIAL CONTRACTS

For information concerning our material contracts, see “Item 4. Information on the Company,” “Item 5. Operating and Financial Review and Prospects” and “Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions.”

10.D. EXCHANGE CONTROLS

There are currently no exchange control restrictions in effect in Singapore.

10.E. TAXATION

The following summary of the United States federal income tax and Singapore tax consequences of receipt, ownership and disposition of our shares is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this registration statement. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the descriptions and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of our shares. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of our shares. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the receipt, disposition and ownership of our shares, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as of the date of this registration statement, and of any actual changes in applicable tax laws after such date.

Material U.S. Federal Income Tax Considerations

The following summarizes certain U.S. federal income tax considerations relating to the distribution of our shares in connection with the spin-off to U.S. Holders (as defined below), the receipt of cash in lieu of receiving our fractional shares, if any, to which such holder would otherwise be entitled, and the U.S. federal income tax considerations of owning and disposing of our shares. This summary applies only to U.S. Holders that hold our shares as capital assets (generally, property held for investment) and that have the U.S. dollar as their functional currency.

This summary is based on the Code, Treasury regulations promulgated thereunder and on judicial and administrative interpretations of the Code and the Treasury regulations, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not purport to be a complete description of the consequences of the transactions described in this registration statement, nor does it address the application of estate, gift or non-income U.S. federal tax laws or any state, local or foreign tax laws. The tax treatment of a holder of our shares may vary depending upon that holder’s particular situation. Moreover, this summary does not address certain holders that may be subject to special rules not discussed below, such as (but not limited to):

- persons that are not U.S. Holders (as defined below);
- persons that are subject to alternative minimum taxes;
- insurance companies;
- tax-exempt entities;
- banks and other financial institutions;
- real estate investment companies and regulated investment companies;
- U.S. expatriates;
- broker-dealers;

- partnerships (or other entities classified as partnerships for U.S. federal income tax purposes) and other pass-through entities and persons that hold our shares through partnerships (or other entities classified as pass-through entities for U.S. federal income tax purposes);
- a U.S. Holder that owns shares through a non-U.S. broker or other non-U.S. intermediary;
- holders whose functional currency is not the U.S. dollar;
- persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock;
- traders in securities that elect to apply a mark-to-market method of accounting, holders that hold our shares as part of a "hedge," "straddle," "conversion," or other risk reduction transaction for U.S. federal income tax purposes; and
- individuals who receive our shares upon the exercise of compensatory options or otherwise as compensation.

Moreover, no advance rulings have been or will be sought from the U.S. Internal Revenue Service (the "IRS") regarding any matter discussed in this registration statement. SunPower expects to receive the Tax Opinion, described above, which will rely on certain facts, assumptions, representations and undertakings from SunPower, us and other relevant parties regarding the past and future conduct of SunPower, our businesses and certain matters of other parties. If any of the facts, assumptions, representations or undertakings described therein are incorrect or not otherwise satisfied, SunPower may not be able to rely upon the Tax Opinion. For instance, the Tax Opinion relies on certain significant ownership interests in the resulting companies continuing after the distribution. Whether such ownership continues may be out of SunPower's or Maxeon Solar's control following the completion of the distribution. Accordingly, notwithstanding the Tax Opinion, no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below.

HOLDERS AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE RECEIPT, OWNERSHIP AND DISPOSITION OF OUR SHARES.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of our shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity taxable as a partnership for U.S. federal income tax purposes) holds our shares, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our shares, you should consult your tax advisor.

The Spin-Off and Distribution of our Shares

A U.S. Holder that receives our shares in the distribution is expected to be treated for U.S. federal income tax purposes as receiving a distribution from SunPower. The tax consequences of the distribution depend on whether it satisfies the conditions for tax-free treatment, with respect to SunPower ordinary shareholders, imposed by Section 355 of the Code. While this determination is ultimately based on all the relevant facts and circumstances, SunPower expects to receive the Tax Opinion, which will be subject to the conditions described above, that the distribution should satisfy the requirements for such tax-free treatment to SunPower shareholders for U.S. federal income tax purposes. However, no rulings have been or will be sought from the IRS concerning whether the distribution so qualifies, and there is no assurance that the IRS will not take a contrary view or that a court would not agree with the IRS if the matter were contested. The following summarizes the material U.S. federal income tax consequences in the event that the distribution qualifies for Section 355 treatment to U.S. Holders, as well as such consequences in the event that the distribution does not so qualify.

Material U.S. Federal Income Tax Consequences of the Distribution Qualifying under Section 355

SunPower expects to receive the Tax Opinion providing that the distribution should satisfy the requirements under Section 355 of the Code with regard to the distribution of Maxeon Solar shares to SunPower shareholders. Provided the distribution so qualifies (without taking into account the cash received in lieu of fractional shares discussed below):

- no gain or loss should be recognized by, and no amount should be includible in the income of, a U.S. Holder as a result of the receipt of our shares by the SunPower shareholders in the distribution;
- the aggregate tax basis of the SunPower shares and our shares held by each U.S. Holder immediately after the distribution should be the same as the aggregate tax basis of the SunPower shares held by the U.S. Holder immediately before the distribution, allocated between the SunPower shares and our shares in proportion to their relative fair market values on the date of the distribution; and
- the holding period of our shares received by each U.S. Holder in the distribution should include the holding period of its SunPower shares.

Generally, if a SunPower shareholder holds different blocks of SunPower shares (generally SunPower shares purchased or acquired on different dates or at different prices), a U.S. Holder must perform the tax basis allocation described above with respect to each block and will have a holding period in our shares determined with respect to the holding period of such block.

Receipt of Cash in lieu of Fractional Shares

A U.S. Holder who receives cash in lieu of a fraction of Maxeon Solar shares in the distribution generally will be treated as having received the fractional share pursuant to the distribution and then as having sold such fractional share for cash. As a result, a U.S. Holder who receives cash in lieu of fractional shares in Maxeon Solar generally will recognize gain or loss measured by the difference between the amount of cash received in lieu of such fractional share and the portion of the U.S. Holder's tax basis in the Maxeon Solar shares allocated to the fractional share. Gain or loss recognized with respect to cash received in lieu of any fractional Maxeon Solar shares generally will be capital gain or loss, and generally will be long-term capital gain or loss if, as of the effective time of the distribution, the holding period for such Maxeon Solar shares is greater than one year. Long-term capital gain of non-corporate U.S. holders (including individuals) currently is eligible for preferential U.S. federal income tax rates. The deductibility of capital losses is subject to limitations.

Material U.S. Federal Income Tax Consequences of Distribution Not Qualifying under Section 355

In the event that the distribution does not qualify for tax-free treatment under Section 355 of the Code, a U.S. Holder receiving ordinary shares in the distribution should be treated as receiving a taxable dividend

distribution to the extent of the fair market value of the ordinary shares (in U.S. dollars) received on the date of the distribution (including any fractional shares to which such U.S. Holders are otherwise entitled), but limited to such U.S. Holder's share of SunPower's current and accumulated earnings and profits (as determined under U.S. federal income tax purposes). Under these circumstances, a U.S. Holder's basis in the ordinary shares received in the distribution (including those for which cash was issued in lieu of the issuance of fractional shares) should be the fair market value of such ordinary shares, and a U.S. Holder's holding period for such ordinary shares should begin on the date of the distribution.

U.S. Holders are urged to consult their own tax advisors regarding the potential U.S. federal income tax consequences of the distribution, including the potential treatment of the distribution under Section 355 of the Code and any U.S. federal income tax reporting requirements that may apply to such U.S. Holders.

Backup Withholding

Payments of cash, which are not expected in the distribution, to a U.S. Holder of SunPower shares may, under certain circumstances, be subject to "backup withholding," unless the U.S. Holder provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with the requirements of the backup withholding rules. Corporations will generally be exempt from backup withholding, but may be required to provide a certification to establish their entitlement to the exemption. Backup withholding is not an additional tax, and it may be refunded or credited against a U.S. Holder's U.S. federal income tax liability if the required information is timely supplied to the IRS.

Information Reporting

Treasury Regulations require each SunPower shareholder that, immediately before the distribution, owned 5% or more (by vote or value) of the total outstanding stock of SunPower to attach to such shareholder's U.S. federal income tax return for the year in which the distribution occurs a statement setting forth certain information related to the distribution.

Tax Matters Agreement and Indemnification Obligation

SunPower expects to receive the Tax Opinion providing that the distribution should not result in any recognition of gain or loss for U.S. federal income tax as to (and no amount shouldbe includible in the income of) SunPower shareholders. The Tax Opinion is subject to the qualifications and limitations set forth above under "—Consequences to U.S. Holders of SunPower Shares." Additionally, as discussed above in "Item 7. Major Shareholders and Related Party Transactions—7.B. Related Party Transactions—Agreements Between SunPower and Us—Tax Matters Agreement," we intend to enter into the Tax Matters Agreement with SunPower, which will restrict us from taking certain actions that could affect the qualification of the distribution as tax-free to SunPower shareholders.

Notwithstanding the foregoing, if it were determined that the distribution did not so qualify, we could be required to indemnify SunPower for taxes resulting therefrom. This could occur if, notwithstanding our intentions, we take or fail to take any action we are prohibited from taking or required to take by the terms of the Tax Matters Agreement to preserve the intended tax treatment of the transaction, a representation or covenant we made that serves as the basis for the Tax Opinion is determined to be false or as a result of the application of legal rules that depend in part on facts outside our control. For example, U.S. tax law requires that both SunPower and we continue to remain engaged in our respective active trades and businesses. If we cease to so engage in our active trades and businesses in a manner that causes the spin-off to become taxable, we would be required to indemnify SunPower for any taxes and related costs resulting from our actions. Our indemnification obligations to SunPower in these circumstances are set forth in the Tax Matters Agreement discussed above in "Item 7. Major Shareholders and Related Party Transactions— 7.B. Related Party Transactions—Agreements Between SunPower and Us—Tax Matters Agreement." If we are required to indemnify SunPower, we may be subject to substantial liabilities that could materially adversely affect our financial position.

Taxation of Dividends and Other Distributions on the Shares

We have no current plans to pay annual or semi-annual cash dividends (see "Item 10.B. Memorandum and Articles of Association—Dividends."). If, however, we do pay dividends, the gross amount of any such distribution made to a U.S. Holder with respect to our shares, including the amount of any non-U.S. taxes withheld from the distribution, generally will be includible in income on the day on which the distribution is actually or constructively received by a U.S. Holder as dividend income to the extent the distribution is paid out of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. A distribution in excess of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), including the amount of any non-U.S. taxes withheld from the distribution, will be treated as a non-taxable return of capital to the extent of the U.S. Holder's adjusted basis in our shares and as a capital gain to the extent it exceeds the U.S. Holder's basis. We do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles, therefore, U.S. Holders should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations.

Distributions treated as dividends that are received by a non-corporate U.S. Holder (including an individual) from "qualified foreign corporations" generally qualify for a reduced tax rate so long as certain holding period and other requirements are met. Dividends paid on our shares should qualify for the reduced rate if we are treated as a "qualified foreign corporation." For this purpose, a qualified foreign corporation means any foreign corporation provided that: (i) the corporation was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC, (ii) certain holding period requirements are met and (iii) either (A) the corporation is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for the purposes of the qualified dividend rules or (B) the stock with respect to which such dividend was paid is readily tradable on an established securities market in the United States. The shares should be considered to be readily tradable on established securities markets in the United States if they are listed on NASDAQ, as is expected. The United States does not currently have a comprehensive income tax treaty with Singapore, therefore, if our shares are not considered to be readily tradable on an established securities market in the United States, dividends with respect to such shares will not qualify for the reduced rate. U.S. Holders are encouraged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to our shares.

If the dividends with respect to our shares are paid in foreign currency, such dividends will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the foreign currency received calculated by reference to the spot exchange rate in effect on the date the dividend is actually or constructively received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars. If the foreign currency received as a dividend is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of actual or constructive receipt. Any gain or loss recognized by a U.S. Holder on a subsequent conversion or other disposition of the foreign currency generally will be foreign currency gain or loss, which is treated as U.S. source ordinary income or loss, and will not be treated as a dividend. If dividends paid in foreign currency are converted into U.S. dollars on the day they are actually or constructively received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the disposition of the foreign currency.

Dividends on our shares received by a U.S. Holder will generally be treated as foreign source income for U.S. foreign tax credit purposes and generally will be treated as "passive category income" for U.S. foreign tax credit purposes. The rules with respect to foreign tax credits are complex and U.S. Holders should consult their tax advisors regarding the availability of the foreign tax credit in their particular circumstances. In addition, a 3.8% tax may apply to certain investment income, which may include dividends.

Taxation of Dispositions of the Shares

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of our shares in an amount equal to the difference between the amount realized on such sale or other taxable disposition and such U.S. Holder's adjusted tax basis in our shares. The initial tax basis of our shares to a U.S. Holder that received such shares in the distribution generally will equal only a portion of the tax basis that such U.S. Holder had in the SunPower shares upon which our shares were distributed (or the fair market value (in U.S. dollars) of such shares on the distribution date if the distribution fails to qualify for Section 355 treatment). Such gain or loss generally will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders) or loss if, on the date of sale or disposition, such shares were held by such U.S. Holder for more than one year. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source gain or loss, as the case may be for foreign tax credit purposes.

The amount realized on a sale or other disposition of our shares for foreign currency generally will equal the U.S. dollar value of the foreign currency at the spot exchange rate in effect on the date of sale or other disposition or, if the shares are traded on an established securities market (such as NASDAQ), in the case of a cash method or electing accrual method U.S. Holder of our shares, the settlement date. A U.S. Holder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realized. Any gain or loss realized by a U.S. Holder on a subsequent conversion or other disposition of the foreign currency will be foreign currency gain or loss, which is treated as U.S. source ordinary income or loss for foreign tax credit purposes.

Passive Foreign Investment Company

In general, a non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes for any taxable year in which either (i) 75% or more of its gross income consists of certain types of "passive" income or (ii) 50% or more of the fair market value of its assets (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, cash is categorized as a passive asset and our unbooked intangibles will be taken into account and generally treated as non-passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the shares.

We do not anticipate being a PFIC for our current taxable year or in the foreseeable future, although we can make no assurances in this regard. Our status as a PFIC in any year depends on our assets and activities in that year. We have no reason to believe that our assets or activities will change in a manner that would cause us to be classified as a PFIC for the current taxable year or for any future year. Because, however, PFIC status is factual in nature and generally cannot be determined until the close of the taxable year, there can be no assurance that we will not be considered a PFIC for any taxable year.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our shares, the U.S. Holder will generally be subject to imputed interest taxes, characterization of any gain from the sale or exchange of our shares as ordinary income, and other disadvantageous tax treatment with respect to our shares unless the U.S. Holder makes a mark-to-market election (as described below). Further, if we are classified as a PFIC for any taxable year during which a U.S. Holder holds our shares and any of our non-U.S. subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of each such non-U.S. subsidiary classified as a PFIC (each such subsidiary, a lower tier PFIC) for purposes of the application of these rules. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of "marketable stock" in a PFIC may make a mark-to-market election. A mark-to-market election may be made with respect to our shares, provided they are actively traded, defined for this purpose as being traded on a "qualified exchange," other than in de minimis quantities, on at least 15 days during each calendar quarter. We anticipate that our shares should qualify as being

actively traded, but no assurances may be given in this regard. If a U.S. Holder of our shares makes this election, the U.S. Holder will generally (i) include as income for each taxable year the excess, if any, of the fair market value of our shares held at the end of the taxable year over the adjusted tax basis of such shares and (ii) deduct as a loss the excess, if any, of the adjusted tax basis of our shares over the fair market value of such shares held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in our shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. In addition, any gain such U.S. Holder recognizes upon the sale or other disposition of our shares will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. Holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. In the case of a U.S. Holder who has held our shares during any taxable year in respect of which we were classified as a PFIC and continues to hold such shares (or any portion thereof) and has not previously made a mark-to-market election, and who is considering making a mark-to-market election, special tax rules may apply relating to purging the PFIC taint of such shares. Because a mark-to-market election cannot be made for any lower tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide the information necessary for U.S. Holders of our shares to make the mark-to-market election, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If a U.S. Holder owns our shares during any taxable year that we are a PFIC, such U.S. Holder may be subject to certain reporting obligations with respect to our shares, including reporting on IRS Form 8621.

Each U.S. Holder should consult its tax adviser concerning the U.S. federal income tax consequences of receiving, holding, and disposing of our shares if we are or become classified as a PFIC, including the possibility of making a mark-to-market election.

Treatment of Maxeon Solar as a U.S. Company for U.S. Federal Income Tax Purposes

Under current U.S. federal income tax law, a corporation is generally considered a tax resident in the jurisdiction of its organization or incorporation. Thus, as a corporation organized under the laws of Singapore, we expect to be classified as a non-U.S. corporation (and therefore a non-U.S. tax resident) for U.S. federal income tax purposes. In certain circumstances, however, Section 7874 of the Code may cause a corporation organized outside the United States to be treated as a U.S. corporation (and, therefore, taxable in the United States) unless one or more exceptions apply. The application of Section 7874 of the Code and its various exceptions is complex and subject to factual and legal uncertainties, with respect to some of which the IRS has yet to issue guidance. Moreover, changes to Section 7874 of the Code or the U.S. Treasury regulations promulgated thereunder (or other relevant provisions of U.S. federal income tax law), which may be given prospective or retroactive effect, could adversely affect our status as a non-U.S. corporation for U.S. federal income tax purposes. As a result, there can be no assurance that the IRS will agree with the position that we should not be treated as a U.S. corporation for U.S. federal income tax purposes; however, we expect that Section 7874 of the Code will not apply to treat us as a U.S.-resident corporation for U.S. federal income tax purposes. The foregoing discussion assumes that we are not treated as a U.S. corporation for U.S. federal income tax purposes.

If we were to be treated as a U.S. corporation for U.S. federal income tax purposes, we would be subject to U.S. corporate income tax on our worldwide income and the income of our non-U.S. subsidiaries would be subject to U.S. tax when deemed recognized under the U.S. federal income tax rules for controlled foreign subsidiaries. The gross amount of any dividends paid by us to a non-U.S. shareholder would be subject to U.S.

withholding tax at a rate of 30% unless the non-U.S. shareholder is eligible for an exemption or reduced withholding rate under an applicable income tax treaty. Also, dividends paid by us to a U.S. Holder will be subject to U.S. reporting and backup withholding requirements as if we were a U.S. corporation.

Material Singapore Tax Considerations

The following discussion is a summary of Singapore income tax, goods and services tax ("GST") and stamp duty considerations relevant to the acquisition, ownership and disposition of our shares by an investor who is not tax resident or domiciled in Singapore and who does not carry on business or otherwise have a presence in Singapore. The statements made herein regarding taxation are general in nature and based upon certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date hereof and are subject to any changes in such laws or administrative guidelines or the interpretation of such laws or guidelines occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose of our shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of our shares, taking into account their own particular circumstances. The statements below are based upon the assumption that we are a tax resident in Singapore for Singapore income tax purposes and we (including our subsidiaries) do not own any Singapore residential properties. It is emphasized that neither us nor any other persons involved in this registration statement accepts responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of our shares.

Income Taxation Under Singapore Law

Dividends or Other Distributions with Respect to Shares

Singapore does not impose withholding tax on dividend distributions. Under the one-tier corporate tax system, dividends paid by a Singapore tax resident company will be tax exempt in the hands of a shareholder, whether or not the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Capital Gains upon Disposition of Shares

Under current Singapore tax laws, there is no tax on capital gains while gains of an income nature would be subject to tax at the prevailing corporate income tax rate of 17.0%. There are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of our shares may be construed to be of an income nature and subject to Singapore income tax, if they arise from activities which the Inland Revenue Authority of Singapore ("IRAS") regards as the carrying on of a trade or business in Singapore. Such gains, even if they do not arise from an activity in the ordinary course of trade or business or from an ordinary incident of some other business activity, may also be considered gains or profits of an income nature if the investor had the intention or purpose of making a profit at the time of acquisition of our shares. However, under Singapore tax laws, there is a temporary safe harbor rule where any gains derived by a divesting company from its disposal of ordinary shares in an investee company between June 1, 2012 and December 31, 2027 are generally exempt from tax if immediately prior to the date of the relevant disposal, the divesting company has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months. The safe harbor rule is only applicable if the divesting company, at the time of lodgment of its income tax return in Singapore relating to the period in which the disposal of ordinary shares occurred, provides such information and documentation as may be specified by the IRAS.

Goods and Services Tax

Issuance and transfer of our shares to investors belonging in Singapore is exempt from GST and to investors belonging outside Singapore is zero-rated (i.e., charged at 0% GST). Consequently, investors should not incur any GST on the subscription of our shares. The subsequent disposal of our shares by investors is similarly exempt from GST or zero-rated, as the case may be. Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or transfer of our shares will be subject to GST at the prevailing standard-rate (currently of 7.0%). Similar services rendered contractually to and directly for the benefit of an investor belonging outside Singapore should be zero-rated (i.e., charged at 0% GST) provided that the investor is not physically present in Singapore at the time the services are performed.

Stamp Duty

Where our shares evidenced in certificated forms are acquired in Singapore, stamp duty is payable on the instrument of their transfer at the rate of 0.2% of the consideration or market value of our shares, whichever is higher.

Where an instrument of transfer (including electronic documents) is executed outside Singapore, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. An electronic instrument that is executed outside Singapore is considered received in Singapore if (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

On the basis that any transfer instruments in respect of our shares traded on the NASDAQ are executed outside Singapore through our transfer agent and share registrar in the United States for registration in our branch share register maintained in the United States, no stamp duty would be payable in Singapore on such transfers to the extent that the instruments of transfer (including electronic documents) are not received in Singapore. As it may not be practical to anticipate the circumstances where an instrument may be considered received in Singapore, an application has been lodged with the Commissioner of Stamp Duties to seek confirmation/remission on the application of Singapore stamp duty. The application is currently pending review by the Commissioner of Stamp Duties.

Tax Treaties Regarding Withholding Taxes

There is no comprehensive avoidance of double taxation agreement between the United States and Singapore.

10.F. DIVIDENDS AND PAYING AGENTS

For a discussion of the declaration and payment of dividends on our shares, see "Item 10.B. Memorandum and Articles of Association—Dividends."

The paying agent for our shares is Computershare.

10.G. STATEMENT BY EXPERTS

The combined financial statements of Maxeon Solar Technologies, Pte. Ltd. as of December 29, 2019 and December 30, 2018 and for the years then ended have been audited by Ernst & Young LLP, independent registered public accounting firm, as stated in their report appearing herein.

10.H. DOCUMENTS ON DISPLAY

Any statement in this Form 20-F about any of our contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to the Form 20-F, the contract or document is deemed to modify the description contained in this Form 20-F. You must review the exhibits themselves for a complete description of the contract or document.

Upon completion of the spin-off, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and periodic reports on Form 6-K. The SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is *www.sec.gov*. In addition, as of the first day of listing of our shares on the NASDAQ, copies of all information and documents pertaining to press releases, media conferences, investor updates and presentations at analyst and investor presentation conferences can be downloaded from our website, which will be operational at or prior to the spin-off. The information that will be contained on our website is not a part of this Form 20-F.

As a foreign private issuer, we will be exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and shortswing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish or make available to our shareholders annual reports containing our combined financial statements prepared in accordance with GAAP. Our annual report will contain an “Operating and Financial Review and Prospects” section for the relevant periods.

10.I. SUBSIDIARY INFORMATION

Not Applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The major financing risks faced by us will be managed by our treasury function. For information about the effects of currency and interest rate fluctuations and how we manage currency and interest risk, see “Item 5. Operating and Financial Review and Prospects—5.B. Liquidity and Capital Resources.” Please also see the information set forth under “Note 12. Derivative Financial Instruments” on pages F-39 to F-40 of our combined financial statements and related notes included elsewhere in this Form 20-F.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. DEBT SECURITIES

Not Applicable.

12.B. WARRANTS AND RIGHTS

Not Applicable.

12.C. OTHER SECURITIES

Not Applicable.

12.D. AMERICAN DEPOSITARY SHARES

Not Applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Not applicable.

ITEM 16. [RESERVED]

Not applicable.

16.A. AUDIT COMMITTEE AND FINANCIAL EXPERT

Not applicable.

16.B. CODE OF ETHICS

Not applicable.

16.C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not applicable.

16.D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable.

16.E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

16.F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

16.G. CORPORATE GOVERNANCE

Not applicable.

16.H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Historical Combined Financial Statements

Please refer to pages F-1 through F-46 of this Form 20-F.

Unaudited Pro Forma Combined Financial Information

Please refer to pages 22 through 28 of this Form 20-F.

ITEM 18. FINANCIAL STATEMENTS

Not applicable.

ITEM 19. EXHIBITS

We have filed the following documents as exhibits to this Form 20-F:

Exhibit Number	Description
1.1	Form of Maxeon Solar Technologies, Ltd.'s Constitution
2.1	Form of Specimen Share Certificate for Maxeon Solar Technologies, Ltd.'s Ordinary Shares
2.2	Separation and Distribution Agreement, dated November 8, 2019, by and between SunPower Corporation and Maxeon Solar Technologies, Pte. Ltd. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by SunPower Corporation on November 12, 2019)
2.3	Form of Registration Rights Agreement
2.4	Form of Shareholders Agreement
4.1	Form of Tax Matters Agreement
4.2	Form of Employee Matters Agreement
4.3	Form of Transition Services Agreement
4.4	Form of Supply Agreement
4.5	Form of Back-to-Back Agreement
4.6	Form of Brand Framework Agreement
4.7	Form of Cross-License Agreement
4.8	Form of Collaboration Agreement
8.1	List of Subsidiaries
10.1	Investment Agreement, dated November 8, 2019, among SunPower Corporation, Maxeon Solar Technologies, Pte. Ltd., Tianjin Zhonghuan Semiconductor Co., Ltd. and, for the limited purposes set forth therein, Total Solar INTL SAS (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by SunPower Corporation on November 12, 2019)
15.1	Consent of Ernst & Young LLP

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.

By: /s/ Jeffrey W. Waters
Name: Jeffrey W. Waters
Title: Authorized Representative

By: /s/ Joanne Solomon
Name: Joanne Solomon
Title: Authorized Representative

Date: July 2, 2020

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of SunPower Corporation

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of Maxeon Solar Technologies, Pte. Ltd. (the Company) as of December 29, 2019 and December 30, 2018, the related combined statements of operations, comprehensive loss, equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company at December 29, 2019 and December 30, 2018, and the results of its operations and its cash flows for each of the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

San Jose, California
May 11, 2020

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
COMBINED BALANCE SHEETS
(In thousands)

	December 29, 2019	December 30, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 120,956	$ 101,713
Restricted short-term marketable securities	6,187	—
Accounts receivable, net[1]	150,365	73,802
Inventories	194,852	222,817
Advances to suppliers, current portion	107,388	37,849
Prepaid expenses and other current assets	38,369	31,787
Total current assets	**$ 618,117**	**$ 467,968**
Restricted long-term marketable securities	—	5,955
Property, plant and equipment, net	281,200	285,740
Operating lease right of use assets	18,759	—
Other intangible assets, net	5,092	12,160
Advances to suppliers, net of current portion	13,993	133,694
Other long-term assets	53,050	65,786
Total assets	**$ 990,211**	**$ 971,303**
Liabilities and Equity		
Current liabilities		
Accounts payable[1]	$ 286,464	$ 199,428
Accrued liabilities[1]	92,570	97,008
Contract liabilities, current portion[1]	78,939	62,813
Short term debt	60,383	39,714
Operating lease liabilities, current portion	2,365	—
Total current liabilities	**$ 520,721**	**$ 398,963**
Long-term debt	1,487	2,135
Contract liabilities, net of current portion	35,616	45,282
Operating lease liabilities, net of current portion	18,338	—
Other long-term liabilities	46,526	89,575
Total liabilities	**$ 622,688**	**$ 535,955**
Commitments and contingencies (Note 8)		
Equity		
Net Parent investment[1]	$ 369,837	$ 438,209
Accumulated other comprehensive loss	(7,618)	(4,008)
Equity attributable to the Company	362,219	434,201
Noncontrolling interests	5,304	1,147
Total equity	367,523	435,348
Total liabilities and equity	**$ 990,211**	**$ 971,303**

1 We have related-party balances for transactions with SunPower Corporation (“Parent”) and Total S.A. and its affiliates as well as unconsolidated entities in which we have a direct equity investment. These related-party balances are recorded within the “Accounts receivable, net,” “Accounts payable,” “Accrued liabilities,” “Contract assets,” “Contract liabilities, current portion,” “Contract liabilities, net of current portion,” and “Net Parent investment” financial statement line items in our Combined Balance Sheets (see Note 3, Note 5, and Note 10).

The accompanying notes are an integral part of these combined financial statements.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
COMBINED STATEMENTS OF OPERATIONS
(In thousands)

	Fiscal Year Ended	
	December 29, 2019	December 30, 2018
Revenue[1]	$ 1,198,301	$ 912,313
Cost of revenue[1]	1,200,610	1,007,474
Impairment of manufacturing assets	—	354,768
Gross loss	(2,309)	(449,929)
Operating expenses		
Research and development	36,997	50,031
Sales, general and administrative[1]	96,857	82,041
Restructuring (benefits) charges	(517)	7,766
Total operating expenses	133,337	139,838
Operating loss	(135,646)	(589,767)
Other expense, net		
Interest expense[1]	(25,831)	(25,889)
Other, net	(1,961)	13,469
Other expense, net	(27,792)	(12,420)
Loss before income taxes and equity in losses of unconsolidated investees	(163,438)	(602,187)
(Provision for) benefit from income taxes	(10,122)	1,050
Equity in losses of unconsolidated investees	(5,342)	(2,943)
Net loss	(178,902)	(604,080)
Net (gain) loss attributable to noncontrolling interests	(4,157)	266
Net loss attributable to the Parent	$ (183,059)	$ (603,814)

1 We have related-party transactions with Parent and Total S.A. and its affiliates as well as unconsolidated entities in which we have a direct equity investment. These related-party transactions are recorded within the “Revenue,” “Cost of revenue,” “Operating expenses: Sales, general and administrative,” and “Other expense, net: Interest expense” financial statement line items in our Combined Statements of Operations (see Note 3 and Note 10).

The accompanying notes are an integral part of these combined financial statements.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
COMBINED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Fiscal Year Ended	
	December 29, 2019	December 30, 2018
Net loss	$ (178,902)	$ (604,080)
Components of other comprehensive loss, net of taxes		
Currency translation adjustment	(654)	(3,454)
Net changes in derivatives (Note 12)	(1,094)	397
Net (loss) gain on long-term pension liability adjustment	(1,862)	1,628
Total other comprehensive loss	(3,610)	(1,429)
Total comprehensive loss	(182,512)	(605,509)
Comprehensive (gain) loss attributable to noncontrolling interests	(4,157)	266
Comprehensive loss attributable to the Parent	$ (188,669)	$ (605,243)

The accompanying notes are an integral part of these combined financial statements.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
COMBINED STATEMENTS OF EQUITY
(In thousands)

	Net Parent Investment	Accumulated Other Comprehensive Loss	Equity Attributable to the Company	Noncontrolling Interests	Total Equity
Balance at December 31, 2017	**$ 845,382**	**$ (2,579)**	**$ 842,803**	**$ 1,413**	**$ 844,216**
Net loss	(603,814)	—	(603,814)	(266)	(604,080)
Other comprehensive loss	—	(1,429)	(1,429)	—	(1,429)
Net Parent contribution	196,641	—	196,641	—	196,641
Balance at December 30, 2018	**$ 438,209**	**$ (4,008)**	**$ 434,201**	**$ 1,147**	**$ 435,348**
Net gain (loss)	(183,059)	—	(183,059)	4,157	(178,902)
Other comprehensive loss	—	(3,610)	(3,610)	—	(3,610)
Net Parent contribution	114,687	—	114,687	—	114,687
Balance at December 29, 2019	**$ 369,837**	**$ (7,618)**	**$ 362,219**	**$ 5,304**	**$ 367,523**

The accompanying notes are an integral part of these combined financial statements.

MAXEON SOLAR TECHNOLOGIES, PTE. LTD.
COMBINED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year Ended	
	December 29, 2019	December 30, 2018
Cash flows from operating activities		
Net loss	$ (178,902)	$ (604,080)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	53,448	82,894
Stock-based compensation	7,135	8,580
Non-cash interest expense	23,841	24,035
Equity in earnings of unconsolidated investees	5,342	2,943
Deferred income taxes	804	(2,243)
Impairment of property, plant and equipment	—	367,859
Gain from contractual obligations satisfied with inventory	—	(11,419)
Other, net	249	1,024
Changes in operating assets and liabilities		
Accounts receivable	(77,830)	(32,540)
Contract assets	264	1,243
Inventories	28,415	18,076
Prepaid expenses and other assets	960	16,608
Operating lease right-of-use assets	2,449	—
Advances to suppliers	50,163	44,444
Accounts payable and other accrued liabilities	53,451	(75,483)
Contract liabilities	6,460	1,236
Operating lease liabilities	(2,589)	—
Net cash used in operating activities	(26,340)	(156,823)
Cash flows from investing activities		
Purchases of property, plant and equipment	(41,905)	(39,621)
Proceeds from sale of assets	265	—
Cash paid for intangibles	(231)	—
Cash paid for equity method investments	—	(13,348)
Net cash used in investing activities	(41,871)	(52,969)
Cash flows from financing activities		
Proceeds from debt	253,314	227,676
Repayment of debt	(254,649)	(231,870)
Repayment of capital lease obligations & other debt	(1,190)	(1,071)
Net Parent contribution	92,409	171,089
Net cash provided by financing activities	89,884	165,824
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	381	61
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	22,054	(43,907)
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning of period	101,749	145,656
Cash, cash equivalents, restricted cash and restricted cash equivalents, end of period	$ 123,803	$ 101,749
Non-cash transactions		
Property, plant and equipment purchases funded by liabilities	$ 13,377	$ 8,410
Contractual obligations satisfied with inventory	—	32,031
Right-of-use assets obtained in exchange for lease obligations[1]	21,209	—
Interest expense financed by Parent	17,000	17,000
Aged supplier financing balances reclassified from accounts payable to short-term debt	45,352	—
Supplemental cash flow information		
Cash paid for interest	$ 1,930	$ 1,269
Cash paid for income taxes	8,109	7,590

The accompanying notes are an integral part of these combined financial statements.

The following table reconciles our cash and cash equivalents and restricted cash and restricted cash equivalents reported on our Combined Balance Sheets and the cash, cash equivalents, restricted cash and restricted cash equivalents reported on our Combined Statements of Cash Flows as of December 29, 2019 and December 30, 2018:

(In thousands)	December 29, 2019	December 30, 2018
Cash and cash equivalents	$ 120,956	$ 101,713
Restricted cash and restricted cash equivalents, current portion, included in prepaid expenses and other current assets	2,845	16
Restricted cash and restricted cash equivalents, net of current portion, included in other long-term assets	2	20
Total cash, cash equivalents, restricted cash and restricted cash equivalents shown in statement of cash flows	$ 123,803	$ 101,749

1 Amounts for the year ended December 29, 2019 include the transition adjustment for the adoption of ASC 842 and new Right-of-Use ("ROU") asset additions.

The accompanying notes are an integral part of these combined financial statements.

NOTE 1. BACKGROUND AND BASIS OF PRESENTATION

Background

On November 11, 2019, SunPower Corporation ("SunPower Corporation" or "Parent") announced its intention to separate into two independent publicly traded companies: one comprising its solar panel cell and solar manufacturing operations and supply to resellers and commercial and residential end customers outside of the United States of America and Canada (the "Domestic Territory"), which will conduct business as Maxeon Solar Technologies, Pte. Ltd. (the "Company," "Maxeon Solar," "we," "us," and "our"), a company incorporated under the Laws of Singapore and a wholly owned subsidiary of SunPower Corporation, and one comprising its solar panel manufacturing operations, equipment supply, and sales of energy solutions and services in the Domestic Territory, including direct sales of turn-key engineering, procurement and construction services, sales to its third-party dealer network, sales of energy under power purchase agreements, storage and services solutions, cash sales and long-term leases directly to end customers which will continue as SunPower Corporation.

The proposed separation is intended to take the form of a spin-off to Parent's stockholders of 100% of the shares of the Company. The proposed separation is conditioned, among other things, on final approval of the separation plan by the SunPower Corporation Board of Directors, receipt of an opinion regarding the qualification of the distribution to the Parent stockholders as a transaction that should be tax-free for U.S. federal income tax purposes and receipt of required governmental approvals. The proposed separation is structured to facilitate the proposed concurrent investment by Tianjin Zhonghuan Semiconductor Co., Ltd., a PRC joint stock limited company ("TZS") into the Maxeon Solar business and both are expected to be completed in the third quarter of fiscal 2020.

Liquidity

The global spread of the coronavirus ("COVID-19") has created significant uncertainty and economic disruptions worldwide. In our response to the COVID-19 pandemic, we and SunPower Corporation have instituted certain measures, including shelter-in-place orders for the majority of our workforce, travel restrictions and idling of our factories in France, Malaysia, Mexico, the Philippines, and the U.S. In addition, we have implemented several mitigating actions to prudently manage our business during the current industry uncertainty relating to the COVID-19 pandemic. These actions include reduction of management salaries, freezing of all hiring and merit increases, reduction in capital expenditures and discretionary spending, and temporarily implementing a four-day work week for a portion of our employees in large part in recognition of reduced demand and workloads due to the pandemic.

Despite the challenging and volatile economic conditions, we believe that our total cash and cash equivalents will be sufficient to meet our obligations over the next 12 months from the date of issuance of our financial statements. In addition, we have historically been successful in our ability to work with our vendors to obtain favorable payment terms, when possible, and our ability to reduce manufacturing output to reduce inventory in order to optimize our working capital. We may also choose to explore additional options in connection with our short-term liquidity needs, such as selling raw materials inventory to third parties, liquidating certain investments, implementing additional restructuring plans, and deferring or canceling uncommitted capital expenditures and other investment or acquisition activities.

Although we have historically been able to generate liquidity, we cannot predict, with certainty, the outcome of our actions to generate liquidity as planned. Additionally, we are uncertain of the impact over time of the COVID-19 pandemic to our business, operations and financial results.

Basis of Presentation

Standalone financial statements have not been historically prepared for our business. These combined financial statements of the Company have been derived from the consolidated financial statements and

accounting records of Parent as if we had operated on our own during the period presented and were prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The primary basis for presenting consolidated financial statements is when one entity has a controlling financial interest in another entity. As there is no controlling financial interest present between or among the entities that comprise our business, we are preparing the financial statements of the Company on a combined basis. Parent's investment in the Company's business is shown in lieu of equity attributable to the Company as there is no consolidated entity in which Parent holds an equity interest. Parent's investment represents its interest in the recorded net assets of the Company. See Note 10. *Transactions with Parent and Net Parent Investment*.

The Combined Statements of Operations and Comprehensive Loss of the Company include all sales and costs directly attributable to the Company, including costs for facilities, functions and services used by the Company. The Combined Statements of Operations and Comprehensive Loss also reflect allocations of general corporate expenses from Parent including, but not limited to, executive management, finance, legal, information technology, employee benefits administration, treasury, risk management, procurement, and other shared services. These allocations were made on a direct usage basis when identifiable, with the remainder allocated on the basis of revenue or headcount as relevant measures. Management of the Company and Parent consider these allocations to be a reasonable reflection of the utilization of services by, or the benefits provided to, the Company. The allocations may not, however, reflect the expense the Company would have incurred as a standalone company for the period presented. Actual costs that may have been incurred if the Company had been a standalone company would depend on a number of factors, including the chosen organizational structure, what functions were outsourced or performed by employees and strategic decisions made in areas such as information technology and infrastructure.

The following paragraphs describe the significant estimates and assumptions applied by management in the preparation of the combined financial statements.

The combined financial statements include the assets and liabilities of Parent's subsidiaries that are attributable to the Company's business, representing its solar cell and panel manufacturing operations and activities outside the Domestic Territory. These subsidiaries were previously included in the Parent's SunPower Technologies Segment ("SunPower Technologies" or "Upstream"). While also included in Parent's SunPower Technologies Segment, the assets, liabilities and results of operations of subsidiaries related to worldwide power plant project development, project sales, and operations associated with the Hillsboro, Oregon, solar cell manufacturing facility acquired from SolarWorld Americas in 2018 (the "Oregon Operations") are excluded from the Company's combined financial statements as they are not core to the Company's historical and future business, and the Oregon Operations are retained by SunPower Corporation.

The assets and liabilities included in the Combined Balance Sheets were measured at the carrying amounts recorded in Parent's consolidated financial statements. Assets and liabilities were included within the Company's financial statements to the extent that the Company was the legal owner of the asset or the primary obligor of the liability. Assets and liabilities that form a component of Parent's business may also be recognized in the Company's financial statements to the extent that the assets and liabilities were directly attributable to the Company's business or were exclusively used in or created by the Company's historical operations.

The combined financial statements include third-party debt when the Company was the legal obligor of the debt. The combined financial statements include interest expense on third party debt and when the borrowings were directly attributable to or incurred on behalf of the Company. Parent's long-term debt has not been attributed to the Company for the period presented because Parent's borrowings are not the legal obligation of the Company. In December 2015, Parent issued $425.0 million in principal amount of its 4.00% senior convertible debentures due 2023 (the "4.00% debentures due 2023"), the proceeds of which were used to finance our solar cell manufacturing facility in the Philippines which relates to our historical business. As such, interest and other costs associated with the 4.00% debentures due 2023 are reflected in the Combined Statements of Operations and Comprehensive Loss. However, as the 4.00% debentures due 2023 are legal obligations of Parent

and will not be transferred to the Company, they are not reflected in the Combined Balance Sheets of the Company.

Parent manages its global currency exposure by engaging in hedging transactions where management deems appropriate. This includes derivatives not designated as hedging instruments consisting of forward and option contracts used to hedge re-measurement of foreign currency denominated monetary assets and liabilities primarily for intercompany transactions, receivables from customers, and payables to third parties. The Company's combined financial statements include these hedging instruments to the extent the derivative instrument was designated as a hedging instrument of a hedged item (e.g., inventory) that is included in the combined financial statements. Any changes in fair value of the hedging instrument previously recognized in the Parent's accumulated other comprehensive income ("AOCI") for cash flow hedges are also included.

Parent maintains various stock-based compensation plans at a corporate level. The Company's employees participate in those programs and a portion of the cost of those plans is included in the Company's combined financial statements. Parent also has defined benefit plans at a subsidiary level for certain non-U.S. employees. Where a legal entity within the Company sponsors the plan, the related financial statement amounts are included in the combined financial statements following the single employer accounting model.

As described in Note 13, current and deferred income taxes and related tax expense have been determined based on the standalone results of the Company by applying Accounting Standards Codification No. 740, *Income Taxes* ("ASC 740"), to the Company's operations in each country using the separate return approach, under which current and deferred income taxes are calculated as if a separate tax return had been prepared in each tax jurisdiction. In various tax jurisdictions, the Company and Parent's businesses operated within the same legal entity and certain of Parent's subsidiaries were part of a Parent's tax group. This required an assumption that the subsidiaries and operations of the Company in those tax jurisdictions operated on a standalone basis and constitute separate taxable entities. Actual outcomes and results could differ from these separate tax return estimates, including those estimates and assumptions related to realization of tax benefits within the Parent's tax groups. Uncertain tax positions represent those tax positions to which the Company is the primary obligor and are evaluated and accounted for as uncertain tax positions pursuant to ASC 740. Determining which party is the primary obligor to the taxing authority is dependent on the specific facts and circumstances of their relationship to the taxing authority.

Management believes that all allocations have been performed on a reasonable basis and reflect the services received by the Company, the cost incurred on behalf of the Company, and the assets and liabilities of the Company. Although the combined financial statements reflect management's best estimate of all historical costs related to the Company, this may, however, not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Company been a separate entity, nor the future results of the Company as it will exist upon completion of the proposed separation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lease Accounting – Arrangements with Maxeon as a lessee

Effective December 31, 2018, we adopted Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), as amended ("ASC 842"). For additional information on the changes resulting from the new standard and the impact to our financial results on adoption, refer to the section *Recently Adopted Accounting Pronouncements*, below.

We determine if an arrangement is a lease at inception. Our operating lease agreements are primarily for real estate and are included within operating lease right-of-use ("ROU") assets and operating lease liabilities on the consolidated balance sheets. We elected the practical expedient to combine our lease and related non-lease components for all our leases.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. ROU assets also include any lease prepayments made and exclude lease incentives. Many of our lessee agreements include options to extend the lease, which we do not include in our minimum lease terms unless they are reasonably certain to be exercised. Rental expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term.

Principles of Combination

The combined financial statements includes the Company's net assets and results of operations as described above. All intercompany transactions and accounts within the combined businesses of the Company have been eliminated.

Intercompany transactions between the Company and Parent are considered to be effectively settled in the combined financial statements at the time the transaction is recorded to the extent they have historically been forgiven. The total net effect of the settlement of these intercompany transactions is reflected in the Combined Statements of Cash Flows within financing activities and in the Combined Balance Sheets within Net Parent investment. Intercompany amounts that have historically been presented as an intercompany asset or liability due to or from the Parent primarily related to sales to Parent or asset transfers between Parent and the Company.

Fiscal Periods

The Company has a 52- to-53-week fiscal year that ends on the Sunday closest to December 31. Accordingly, every fifth or sixth year will be a 53-week fiscal year. Fiscal 2019 and 2018 are 52-week fiscal years. Our fiscal 2019 ended on December 29, 2019 and our fiscal 2018 ended on December 30, 2018.

Use of Estimates

The preparation of the combined financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Significant estimates in these combined financial statements include (i) revenue recognition, specifically, management's assessment of market-based pricing terms related to sales of solar modules to Parent, the nature and timing of satisfaction of performance obligations, standalone selling price of performance obligations and variable consideration; (ii) allowances for doubtful accounts receivable; (iii) inventory write-downs; (iv) stock-based compensation; (v) long-lived asset impairment, specifically estimates for valuation assumptions including discount rates and future cash flows, economic useful lives of property, plant and equipment, intangible assets, and investments; (vi) fair value of financial instruments; (vii) valuation of contingencies such as accrued warranty; (viii) the incremental borrowing rate used in discounting of lease liabilities; and (ix) income taxes and tax valuation allowances. Actual results could materially differ from those estimates.

Due to the COVID-19 pandemic, there has been uncertainty and disruption in the global economy and financial markets. We are not aware of any specific event or circumstance that would require updates to our estimates and judgments or require us to revise the carrying value of our assets or liabilities as of the date of issuance of the financial statements. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

Advances to Suppliers

Advances to suppliers relate to prepayments made under long-term agreements with suppliers for the procurement of polysilicon that specify future quantities and pricing of polysilicon to be supplied by the vendors and provide for certain consequences, such as forfeiture of advanced deposits, in the event that the Company terminates the arrangement. The allowance for doubtful accounts on our advanced prepayments to suppliers under long-term supply agreements are reviewed by management at each reporting period. We have no history of recording write-offs related to our advanced prepayments to suppliers, and given our purchase obligation to these suppliers significantly exceeds the remaining advanced prepayments balance as of December 29, 2019 and December 30, 2018, the likelihood of our suppliers terminating the existing contractual arrangements is considered to be remote. We also periodically evaluate the credit worthiness of these suppliers and have noted no material deterioration in their respective credit conditions that would call into question their abilities to continue to supply us with the quantities of polysilicon specified in our supply agreements. The typical time it takes for us to receive the delivery of raw materials under this agreement was approximately 40-50 days from the date the purchase order is submitted to the supplier. Of the $171.5 million of advances to suppliers as of December 30, 2018, $50.1 million has been subsequently applied to polysilicon deliveries received through December 29, 2019. We had $121.4 million of advances to suppliers as of December 29, 2019, which we expect to apply to polysilicon purchases received through the end of our fiscal year 2021 in accordance with the existing supply agreement.

Net Parent Investment

Net parent investment in the Combined Balance Sheets and Statements of Equity represents Parent's historical investment in the Company, the net effect of transactions with and allocations from Parent and the Company's accumulated earnings. See Note 10. *Transactions with Parent and Net Parent Investment* for further information about transactions between the Company and Parent.

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate their respective fair values due to their short-term maturities. Equity investments without readily determinable fair value are measured at cost less impairment and are adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer. Derivative financial instruments are carried at fair value based on quoted market prices for financial instruments with similar characteristics. The effective portion of derivative financial instruments is excluded from earnings and reported as a component of "Accumulated other comprehensive loss" in the Combined Balance Sheets. The ineffective portion of derivatives financial instruments are included in "Other, net" in the Combined Statements of Operations.

Comprehensive Loss

Comprehensive loss is defined as the change in equity during a period from non-owner sources. Our comprehensive loss for the period presented is comprised of (i) our net loss; (ii) foreign currency translation adjustment of our foreign subsidiaries whose assets and liabilities are translated from their respective functional currencies at exchange rates in effect at the balance sheet dates, and revenues and expenses are translated at average exchange rates prevailing during the applicable period; (iii) changes in fair value for derivatives not designated as hedging instruments (see Note 12. *Derivative Financial Instruments*); and (iv) net gain (loss) on long-term pension liability adjustment.

Cash Equivalents

Highly liquid investments with original or remaining maturities of ninety days or less at the date of purchase are considered cash equivalents.

Short-Term and Long-Term Investments

We may invest in money market funds and debt securities. In general, investments with original maturities of greater than ninety days and remaining maturities of one year or less are classified as short-term investments, and investments with maturities of more than one year are classified as long-term investments. Investments with maturities beyond one year may be classified as short-term based on their highly liquid nature and because such investments represent the investment of cash that is available for current operations. Despite the long-term maturities, we have the ability and intent, if necessary, to liquidate any of these investments in order to meet our working capital needs within our normal operating cycles. We have classified these investments as available-for-sale securities.

Our debt securities, classified as held-to-maturity, are Philippine government bonds that we maintain as collateral for business transactions within the Philippines.

Inventories

Inventories are accounted for on a first-in-first-out basis and are valued at the lower of cost or net realizable value. We evaluate the realizability of our inventories, including purchase commitments under fixed-price long-term supply agreements, based on assumptions about expected demand and market conditions. Our assumption of expected demand is developed based on our analysis of bookings, sales backlog, sales pipeline, market forecast, and competitive intelligence. Our assumption of expected demand is compared to available inventory, production capacity, future polysilicon purchase commitments, available third-party inventory, and growth plans. Our factory production plans, which drive materials requirement planning, are established based on our assumptions of expected demand. We respond to reductions in expected demand by temporarily reducing manufacturing output and adjusting expected valuation assumptions as necessary. In addition, expected demand by geography has changed historically due to changes in the availability and size of government mandates and economic incentives.

We evaluate whether losses should be accrued on long-term inventory purchase commitments that may arise from firm, non-cancellable, and unhedged commitments for the future purchase of inventory items. Such losses are measured in the same way as inventory losses, and are recognized unless determined to be recoverable through firm sales contacts or when there are other circumstances that reasonably assure continuing sales without price decline.

Under the long-term polysilicon supply agreements between our parent and certain suppliers, pricing for purchases of polysilicon and specified quantities are set forth in the agreements. As a result of the significant declines in the prices of polysilicon available in the market due to an increase in industry-wide polysilicon manufacturing capacity and a decrease in global demand for polysilicon, the purchase prices set forth in the agreements currently exceed market prices.

We evaluate the terms of our long-term inventory purchase agreements with suppliers, including joint ventures, for the procurement of polysilicon, ingots, wafers, and solar cells and establish accruals for estimated losses on adverse purchase commitments as necessary, such as lower of cost or net realizable value adjustments, forfeiture of advanced deposits and liquidated damages. Obligations related to non-cancellable purchase orders for inventories match current and forecasted sales orders that will consume these ordered materials, and actual consumption of these ordered materials is compared to expected demand regularly. We anticipate total obligations related to long-term supply agreements for inventories will be realized because quantities are less than our expected demand for our solar power products for the foreseeable future and because the raw materials subject to these long-term supply agreements are not subject to spoilage or other factors that would deteriorate its usability; however, if raw materials inventory balances temporarily exceed near-term demand, we may elect to sell such inventory to third parties to optimize working capital needs. In addition, because the purchase prices required by our long-term polysilicon agreements are significantly higher than current market prices for similar

materials, if we are not able to profitably utilize this material in our operations or elect to sell near-term excess, we may incur additional losses. Other market conditions that could affect the realizable value of our inventories and are periodically evaluated by us include historical inventory turnover ratio, anticipated sales price, new product development schedules, the effect new products might have on the sale of existing products, product obsolescence, customer concentrations, the current market price of polysilicon as compared to the price in our fixed-price arrangements, and product merchantability, among other factors. If, based on assumptions about expected demand and market conditions, we determine that the cost of inventories exceeds its net realizable value or inventory is excess or obsolete, or we enter into arrangements with third parties for the sale of raw materials that do not allow us to recover our current contractually committed price for such raw materials, we record a write-down or accrual equal to the difference between the cost of inventories and the estimated net realizable value, which may be material. If actual market conditions are more favorable, we may have higher gross margins when products that have been previously written down are sold in the normal course of business (see Note 5. *Balance Sheet Components*).

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as presented below. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets or the remaining term of the lease. Repairs and maintenance costs are expensed as incurred.

	Useful Lives in Years
Buildings	20 to 30
Leasehold improvements	1 to 20
Manufacturing equipment	7 to 15
Computer equipment	2 to 7
Solar power systems	30
Furniture and fixtures	3 to 5

Long-Lived Assets

We evaluate our long-lived assets, including property, plant and equipment, and other intangible assets with finite lives, for impairment whenever events or changes in circumstances arise. This evaluation includes consideration of technology obsolescence that may indicate that the carrying value of such assets may not be recoverable. The assessments require significant judgment in determining whether such events or changes have occurred. Factors considered important that could result in an impairment review include significant changes in the manner of use of a long-lived asset or in its physical condition, a significant adverse change in the business climate or economic trends that could affect the value of a long-lived asset, significant under-performance relative to expected historical or projected future operating results, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

For purposes of the impairment evaluation, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. We exercise judgment in assessing such groupings and levels. We then compare the estimated future undiscounted net cash flows expected to be generated by the asset group (including the eventual disposition of the asset group at residual value) to the asset group's carrying value to determine if the asset group is recoverable. If our estimate of future undiscounted net cash flows is insufficient to recover the carrying value of the asset group, we record an impairment loss in the amount by which the carrying value of the asset group exceeds the fair value. Fair value is generally measured based on (i) internally developed discounted cash flows for the asset group, (ii) third-party valuations, and (iii) quoted market prices, if available. If the fair value of an

asset group is determined to be less than its carrying value, an impairment in the amount of the difference is recorded in the period that the impairment indicator occurs. In the second quarter of fiscal year 2018, the Company recognized an impairment related to its long-lived assets. See Note 5. *Balance Sheet Components* for additional information.

Product Warranties

We generally provide a 25-year standard warranty for the solar panels that we manufacture for defects in materials and workmanship. The warranty provides that we will repair or replace any defective solar panels during the warranty period. In addition, we pass through to customers long-term warranties from the original equipment manufacturers of certain system components, such as inverters. Warranties of 25 years from solar panel suppliers are standard in the solar industry, while certain system components carry warranty periods ranging from 5 to 20 years.

The warranty excludes system output shortfalls attributable to force majeure events, customer curtailment, irregular weather, and other similar factors. In the event that the system output falls below the warrantied performance level during the applicable warranty period, and provided that the shortfall is not caused by a factor that is excluded from the performance warranty, the warranty provides that we will pay the customer a liquidated damage based on the value of the shortfall of energy produced relative to the applicable warrantied performance level.

We maintain reserves to cover the expected costs that could result from these warranties. Our expected costs are generally in the form of product replacement or repair. Warranty reserves are based on our best estimate of such costs and are recognized as a cost of revenue. We continuously monitor product returns for warranty failures and maintain a reserve for the related warranty expenses based on various factors including historical warranty claims, results of accelerated lab testing, field monitoring, vendor reliability estimates, and data on industry averages for similar products. Due to the potential for variability in these underlying factors, the difference between our estimated costs and our actual costs could be material to our combined financial statements. If actual product failure rates or the frequency or severity of reported claims differ from our estimates or if there are delays in our responsiveness to outages, we may be required to revise our estimated warranty liability. Historically, warranty costs have been within our expectations (see Note 8. *Commitments and Contingencies*).

Revenue Recognition

We sell our solar panels and balance of system components primarily to dealers, project developers, system integrators and distributors, and recognize revenue at a point in time when control of such products transfers to the customer, which generally occurs upon shipment or delivery depending on the terms of the contracts with the customer. In determining the transaction price for revenue recognition, the Company evaluates whether the price is subject to refund or adjustment in determining the consideration to which the Company expects to be entitled. There are no rights of return; however, the Company may be required to pay consideration to the customer in certain instances of delayed delivery. The Company then allocates the transaction price to each distinct performance obligation based on their relative standalone selling price. Other than standard warranty obligations, there are no significant post-shipment obligations (including installation, training or customer acceptance clauses) with any of our customers that could have an impact on revenue recognition. Our revenue recognition policy is consistent across all geographic areas.

Cost of Revenue

Cost of revenue includes actual cost of material, labor and manufacturing overhead incurred for revenue-producing units shipped, and includes associated warranty costs and other costs.

Shipping and Handling Costs

We account for shipping and handling activities related to contracts with customers as costs to fulfill our promise to transfer goods and, accordingly, record such costs in cost of revenue.

Taxes Collected from Customers and Remitted to Governmental Authorities

We exclude from our measurement of transaction prices all taxes assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers. Accordingly, such tax amounts are not included as a component of revenue or cost of revenue.

Stock-Based Compensation

The Company's employees have historically participated in Parent's stock-based compensation plans. Stock-based compensation expense has been allocated to the Company based on the awards and terms previously granted to the Company's employees as well as an allocation of Parent's corporate and shared functional employee expenses. The stock-based compensation expense is based on the measurement date fair value of the award and is recognized only for those awards expected to meet the service and performance vesting conditions on a straight-line basis over the requisite service period of the award. Stock-based compensation expense is determined at the aggregate grant level for service-based awards and at the individual vesting tranche level for awards with performance and/or market conditions. The forfeiture rate is estimated based on Parent's historical experience.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense totaled approximately $3.1 million and $0.8 million in fiscal 2019 and 2018, respectively.

Research and Development Expense

Research and development expense consists primarily of salaries and related personnel costs, depreciation and the cost of solar cell and solar panel materials. All research and development costs are expensed as incurred.

Restructuring Charges

The Company records charges associated with Parent-approved restructuring plans to reorganize one or more of the Company's business segments, to remove duplicative headcount and infrastructure associated with business acquisitions or to simplify business processes and accelerate innovation. Restructuring charges can include severance costs in connection with the termination of a specified number of employees, infrastructure charges to vacate facilities and consolidate operations, and contract cancellation costs. The Company records restructuring charges based on estimated employee terminations and site closure and consolidation plans. The Company accrues for severance and other employee separation costs under these actions when it was probable that benefits will be paid and the amount is reasonably estimable. The rates used in determining severance accruals are based on existing plans, historical experiences and negotiated settlements.

Translation of Foreign Currency

The Company and certain of its subsidiaries use their respective local currency as their functional currency. Accordingly, foreign currency assets and liabilities are translated using exchange rates in effect at the end of the period. Aggregate exchange gains and losses arising from the translation of foreign assets and liabilities are included in "Accumulated other comprehensive loss" in the Combined Balance Sheets. Foreign subsidiaries that use the U.S. dollar as their functional currency remeasure monetary assets and liabilities using exchange rates in effect at the end of the period. Exchange gains and losses arising from the remeasurement of monetary assets and liabilities are included in "Other, net" in the Combined Statements of Operations. Non-monetary assets and liabilities are carried at their historical values.

We include gains or losses from foreign currency transactions in “Other, net” in the Combined Statements of Operations with the other hedging activities described in Note 12. *Derivative Financial Instruments*.

Concentration of Credit Risk

We are exposed to credit losses in the event of nonperformance by the counterparties to our financial and derivative instruments. Financial and derivative instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents, investments, accounts receivable, advances to suppliers, and foreign currency forward contracts. Our investment policy requires cash and cash equivalents and investments to be placed with high-quality financial institutions and to limit the amount of credit risk from any one issuer.

We perform ongoing credit evaluations of our customers’ financial condition whenever deemed necessary. We maintain an allowance for doubtful accounts based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical bad debts, specific customer creditworthiness and current economic trends. We believe that our concentration of credit risk is limited because of our large number of customers, credit quality of the customer base, small account balances for most of these customers, and customer geographic diversification. During fiscal 2019 and 2018, we recorded revenues of $426.5 million and $388.5 million, or 35.6% and 42.6% of total revenue, respectively, representing the sale of solar modules to Parent based on transfer prices determined based on management’s assessment of market-based pricing terms. Except for revenue transactions with Parent, as of December 29, 2019 and December 30, 2018, we had no customers that accounted for at least 10% of revenue. As of December 29, 2019 and December 30, 2018, Parent accounted for 33.7% and 28.2% of accounts receivable, respectively. Two additional customers individually accounted for 20.4% and 13.6% of accounts receivable as of December 29, 2019, and one additional customer accounted for 12.6% of accounts receivable as of December 30, 2018. No other customers accounted for 10% or more of accounts receivable.

We have entered into agreements with vendors that specify future quantities and pricing of polysilicon to be supplied for the next three years. The purchase prices required by these polysilicon supply agreements are significantly higher than current market prices for similar materials. Under certain agreements, we were required to make prepayments to the vendors over the terms of the arrangements.

Income Taxes

The Company’s operations have historically been included in the tax returns filed by the respective Parent entities of which the Company’s businesses are a part. Income tax expense and other income tax related information contained in these combined financial statements are presented on a separate return basis as if the Company filed its own tax returns. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if the Company were a separate taxpayer and a standalone enterprise for the period presented. Current income tax liabilities related to entities which file jointly with Parent are assumed to be immediately settled with Parent and are relieved through Net Parent investment in the Combined Balance Sheets and the Net Parent contribution in the Combined Statements of Cash Flows.

The Company recognizes deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts using enacted tax rates in effect for the year the differences are expected to reverse. The Company records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized.

The Company records accruals for uncertain tax positions when the Company believes that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The Company makes adjustments to these accruals when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. The provision for income taxes include the effects of adjustments for uncertain tax positions, as well as any related interest and penalties.

As applicable, interest and penalties on tax contingencies are included in "Benefit from (provision for) income taxes" in the Combined Statements of Operations and such amounts were not material for the period presented. In addition, foreign exchange gains (losses) may result from estimated tax liabilities, which are expected to be settled in currencies other than the U.S. dollar.

The Tax Cuts and Jobs Act of 2017 (the "Tax Act") also included a provision to tax Global Intangible Low-Taxed Income ("GILTI") of foreign subsidiaries in excess of a deemed return on their tangible assets. Pursuant to the SEC guidance on accounting for the Tax Act, corporations are allowed to make an accounting policy election to either (i) recognize the tax impact of GILTI as a period cost (the "period cost method") or (ii) account for GILTI in the corporation's measurement of deferred taxes (the "deferred method"). In the fourth quarter of the fiscal year 2018, we elected to recognize the tax impact of GILTI as a period cost.

Investments in Equity Interests

Investments in entities in which we can exercise significant influence, but do not own a majority equity interest or otherwise control, are accounted for under the equity method. We record our share of the results of these entities as "Equity in earnings (losses) of unconsolidated investees" on the Combined Statements of Operations. We monitor our investments for other-than-temporary impairment by considering factors such as current economic and market conditions and the operating performance of the entities and record reductions in carrying values when necessary. The fair value of privately-held investments is estimated using the best available information as of the valuation date, including current earnings trends, undiscounted cash flows, and other company specific information, including recent financing rounds (see Note 5. *Balance Sheet Components* and Note 6. *Fair Value Measurements*).

Variable Interest Entities ("VIE")

We regularly evaluate our relationships and involvement with unconsolidated VIEs and our other equity and cost method investments, to determine whether we have a controlling financial interest in them or have become the primary beneficiary, thereby requiring us to consolidate their financial results into our financial statements. If we determine that we hold a variable interest, we then evaluate whether we are the primary beneficiary. If we determine that we are the primary beneficiary, we will consolidate the VIE. The determination of whether we are the primary beneficiary is based upon whether we have the power to direct the activities that most directly impact the economic performance of the VIE and whether we absorb any losses or receive any benefits that would be potentially significant to the VIE.

Noncontrolling Interests

Noncontrolling interests represents the portion of net assets in consolidated subsidiaries that are not attributable, directly or indirectly, to us and are presented as a separate component within Equity in the Combined Balance Sheets. Net losses attributable to the non-controlling interests are recorded within "Net (gain) loss attributable to noncontrolling interests" in the Combined Statements of Operations.

Recently Adopted Accounting Pronouncements

In October 2018, the Financial Accounting Standard Board ("FASB") issued ASU 2018-16, Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes, which permits the use of the Overnight Index Swap Rate based on the Secured Overnight Financing Rate as a fifth U.S. benchmark interest rate for purposes of hedge accounting. The new guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years and should be applied prospectively for qualifying new or re-designated hedging relationships entered into after December 31, 2018. We adopted the new guidance on December 31, 2018. The adoption did not have an impact on our combined financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)* which changes the fair value measurement disclosure requirements of ASC 820. The guidance adds and clarifies certain disclosure requirements for fair value measurements with the objective of improving the effectiveness of disclosures in the notes to financial statements. The adoption did not have an impact on our combined financial statements.

In February 2016, the FASB issued ASC 842, which supersedes the existing guidance for lease accounting, Leases (Topic 840). ASC 842 requires lessees to recognize a lease liability and a ROU asset for virtually all of their leases (other than leases that meet the definition of a short-term lease). ASC 842 is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. In July 2018, the FASB issued several ASUs to clarify and improve certain aspects of the new lease standard including, among many other things, the rate implicit in the lease, lessee reassessment of lease classification, variable payments that depend on an index or rate, and methods of transition including an optional transition method to continue recognizing and disclosing leases entered into prior to the adoption date under ASC 840. In December 2018, the FASB issued ASU 2018-20, *Leases* (Topic 842) *Narrow-Scope Improvements for Lessors*, related to sales taxes and other similar taxes collected from lessees, certain lessor costs paid by lessees to third parties, and related to recognition of variable payments for contracts. On December 31, 2018, we adopted ASC 842 using the optional transitional method for all leases that existed at or commenced before that date. We elected to apply the practical expedients in ASC 842-10-65-1 (f) and (g), and therefore:

(1) did not reassess expired contracts for presence of lease components therein and if it was already concluded that such contracts had lease components, then the classification of the respective lease components therein have not been re-assessed;

(2) did not re-assess initial direct costs for any existing leases;

(3) used hindsight for determining the lease term for all leases whereon ASC 842 has been applied;

(4) elected to not separate the lease and non-lease components;

(5) elected to not apply the recognition and measurement requirements of the new guidance to short-term leases;

(6) did not assess whether existing or expired land easements that were not previously assessed under legacy guidance on leases are or contain a lease under the new guidance;

The adoption of ASC 842 impacted our Combined Balance Sheet as the standard requires us to recognize a ROU asset and lease liability on our Combined Balance Sheet as of December 30, 2018, for all existing leases other than those to which we have applied the short-term lease practical expedient.

Impact to Combined Financial Statements

The below table shows the impact of adoption of ASC 842 on our combined financial statements as of December 31, 2018:

(In thousands)	December 31, 2018	Adoption of ASC 842	December 31, 2018
Assets:			
Operating lease right-of-use assets	$ —	$ 13,139	$ 13,139
Current liabilities:			
Accrued liabilities	97,008	(1,036)	95,972
Operating lease liabilities	—	2,913	2,913
Non-current liabilities:			
Operating lease liabilities, net of current portion	—	12,309	12,309
Other long-term liabilities	89,575	(1,047)	88,528

Recent Accounting Pronouncements Not Yet Adopted

For the following accounting pronouncements, the Company has assumed public company transition timeline in anticipation of the proposed separation plan.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. ASU 2019-12 is effective for us no later than the first quarter of fiscal 2021. Most amendments within the standard are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. We are currently evaluating the impacts of the provisions of ASU 2019-12 on our financial statements and disclosures.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*, which (1) clarifies that certain transactions between collaborative arrangement participants should be accounted for as revenue under Topic 606; (2) adds unit-of-account guidance in Topic 808 to align with the guidance in Topic 606; and (3) requires that in a transaction with a collaborative arrangement participant that is not directly related to sales to third parties, presenting the transaction together with revenue recognized under Topic 606 is precluded if the collaborative arrangement participant is not a customer. This ASU is effective for us no later than the first quarter of fiscal 2020 on a retrospective basis with early adoption permitted. We do not expect a material impact on our financial statements and disclosures upon adoption.

In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which broadens the scope of the private company alternative to include all common control arrangements that meet specific criteria (not just leasing arrangements) and also eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest. This ASU is effective for us no later than the first quarter of fiscal 2020 on a retrospective basis with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. We do not expect a material impact on our financial statements and disclosures upon adoption.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*, requiring a customer in a cloud computing arrangement that is a service contract to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets. This ASU is effective for us no later than the first quarter of fiscal 2020 with early adoption permitted. This ASU

can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We do not expect a material impact on our financial statements and disclosures upon adoption.

In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20)*, to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. This ASU is effective for us no later than the first quarter of fiscal 2020 with early adoption permitted. We do not expect a material impact on our financial statements and disclosures upon adoption.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326)*: Measurement of Credit Losses on Financial Instruments (ASU 2016-13) and subsequent amendment to the initial guidance: ASU 2018-19 (collectively, Topic 326). Topic 326 requires measurement and recognition of expected credit losses for financial assets held. Topic 326 is effective for us no later than the first quarter of fiscal 2020 with early adoption permitted. We do not expect a material impact on our financial statements and disclosures upon adoption. We will continue to actively monitor the impact of the COVID-19 pandemic on expected credit losses.

NOTE 3. TRANSACTIONS WITH TOTAL AND TOTAL S.A.

In June 2011, Total Energies Nouvelles Activités USA ("Total"), a subsidiary of Total S.A. ("Total S.A."), completed a cash tender offer to acquire 60% of SunPower Corporation's outstanding shares of common stock. In December 2011, SunPower Corporation entered into a Private Placement Agreement with Total (the "Private Placement Agreement"), under which Total purchased additional shares of SunPower Corporation common stock, thereby increasing Total's ownership to approximately 66% of SunPower Corporation's outstanding common stock as of that date. As of December 29, 2019 and December 30, 2018, through the increase of SunPower Corporation's total outstanding common stock due to the exercise of warrants and issuance of restricted and performance stock units, Total's ownership of SunPower Corporation's outstanding common stock was approximately 47% and 56%, respectively. As of March 29, 2020, ownership of SunPower Corporation's outstanding common stock by Total S.A. and its affiliates was approximately 50%. As of December 29, 2019 and December 30, 2018, we were partially owned by Total through its ownership of our Parent, SunPower Corporation.

The following related party balances and amounts are associated with transactions entered into with Total and its affiliates:

	As of	
(In thousands)	December 29, 2019	December 30, 2018
Accounts receivable	$ 2,734	$ 603
Accounts payable[1]	4,921	—
Contract liabilities, current portion[1,2]	18,786	18,408
Contract liabilities, net of current portion[2]	35,427	45,258

1 In connection with obtaining solar module supplies related to two solar projects, we incurred charges of $4.9 million and $1.2 million, respectively, that will be paid directly to Total in fiscal year 2020.

2 Refer to Note 8. *Commitments and Contingencies—Advances from Customers*.

	Fiscal Year Ended	
(In thousands)	December 29, 2019	December 30, 2018
Revenue	$ 33,371	$ 27,785
Cost of revenue	23,078	23,473
Interest expense incurred on the 4.00% debentures acquired by Total	4,000	4,000

Supply Agreements

In November 2016, Parent and Total entered into a four-year, up to 200 megawatt ("MW") supply agreement to support the solarization of certain Total facilities. The agreement covers the supply of 150 MW of Maxeon 2 panels with an option to purchase up to another 50 MW of Performance Series ("P-Series") solar panels. In March 2017, we received a prepayment totaling $88.5 million. The prepayment is secured by certain of Parent and Maxeon Solar's assets located in the United States and in Mexico, respectively.

We recognize revenue for the solar panels supplied under this arrangement consistent with our revenue recognition policy for solar power components at a point in time when control of such products transfers to the customer, which generally occurs upon shipment or delivery depending on the terms of the contracts. In the second quarter of fiscal 2017, we started to supply Total with solar panels under the supply agreement and as of December 29, 2019 and December 30, 2018, we had $17.6 million and $18.4 million, respectively, of "Contract liabilities, current portion", and $35.4 million and $45.3 million, respectively, of "Contract liabilities, net of current portion" on our Combined Balance Sheets related to the aforementioned supply agreement (see Note 8. *Commitments and Contingencies*).

In March 2018, we and Total, each through certain affiliates, entered into an agreement whereby we agreed to sell 3.42 MW of photovoltaic ("PV") modules to Total for a development project in Chile. This agreement provided for payment from Total in the amount of approximately $1.3 million, 10% of which was paid upon execution of the agreement.

On January 7, 2019, we and Total, each through certain affiliates, entered into an agreement whereby we agreed to sell 3.7 MW of PV modules to Total for a ground-mounted PV installation in Dubai. This agreement provided for payment from Total in the amount of approximately $1.4 million, 10% of which was received after execution of the agreement.

On March 4, 2019, we and Total, each through certain affiliates, entered into an agreement whereby we agreed to sell 10 MW of PV modules to Total for commercial rooftop PV installations in Dubai. This agreement provided for payment from Total in the amount of approximately $3.2 million, 10% of which was received in April 2019.

In December 2019, we and Total, each through certain affiliates, entered into an agreement whereby we agreed to sell 93 MW of PV modules to Total for commercial PV modules in France. This agreement provided for payment from Total in the amount of approximately $38.4 million, 10% of which was received in December 2019.

4.00% Debentures Due 2023

In December 2015, Parent issued the 4.00% debentures due 2023. An aggregate principal amount of $100.0 million of the 4.00% debentures due 2023 were acquired by Total. The Combined Statements of Operations includes $4.0 million in interest expense related to interest charges incurred on the 4.00% debentures due 2023. See Note 1. *Background and Basis for Presentation* for additional details related to the 4.00% debentures due 2023.

Affiliation Agreement

Parent and Total have entered into an Affiliation Agreement that governs the relationship between Total and Parent (the "Affiliation Agreement"). Until the expiration of a standstill period specified in the Affiliation Agreement (the "Standstill Period"), and subject to certain exceptions, Total, Total S.A., and any of their respective affiliates and certain other related parties (collectively, the "Total Group") may not effect, seek, or enter into discussions with any third party regarding any transaction that would result in the Total Group

beneficially owning Parent's shares in excess of certain thresholds, or request Parent or its independent directors, officers or employees, to amend or waive any of the standstill restrictions applicable to the Total Group. The Standstill Period ends when Total holds less than 15% ownership of Parent.

The Affiliation Agreement imposes certain limitations on the Total Group's ability to seek to effect a tender offer or merger to acquire 100% of the outstanding voting power of Parent and imposes certain limitations on the Total Group's ability to transfer 40% or more of the outstanding shares or voting power of Parent to a single person or group that is not a direct or indirect subsidiary of Total S.A. During the Standstill Period, no member of the Total Group may, among other things, solicit proxies or become a participant in an election contest relating to the election of directors to Parent's Board of Directors.

The Affiliation Agreement provides Total with the right to maintain its percentage ownership in connection with any new securities issued by Parent, and Total may also purchase shares on the open market or in private transactions with disinterested stockholders, subject in each case to certain restrictions.

The Affiliation Agreement also imposes certain restrictions with respect to the ability of Parent and its board of directors to take certain actions, including specifying certain actions that require approval by the directors other than the directors appointed by Total and other actions that require stockholder approval by Total.

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

During the years ended December 29, 2019 and December 30, 2018, we recognized revenue for sales of modules and components from contracts with customers of $1.2 billion and $0.9 billion, respectively. We recognize revenue for sales of modules and components at the point that control transfers to the customer, which typically occurs upon shipment or delivery to the customer, depending on the terms of the contract. Payment terms are typically between 30 and 45 days.

Contract Assets and Liabilities

Contract assets consist of unbilled receivables which represent revenue that has been recognized in advance of billing the customer. During the years ended December 29, 2019 and December 30, 2018, the decreases in contract assets of $0.3 million and $1.2 million, respectively, were primarily due to billings of previously unbilled accounts receivable. Contract liabilities consist of deferred revenue and customer advances, which represent consideration received from a customer prior to transferring control of goods or services to the customer under the terms of a sales contract. During the years ended December 29, 2019 and December 30, 2018, the increases in contract liabilities of $6.5 million and $1.8 million, respectively, were primarily due to additional customer advances offset by utilization of contract liabilities previously recorded. During the years ended December 29, 2019 and December 30, 2018, we recognized revenue of $33.7 million and $33.0 million that was included in contract liabilities as of December 30, 2018 and December 31, 2017, respectively.

We had entered into contracts with customers for the future sale of modules and components for an aggregate transaction price of $296.9 million and $368.0 million in December 29, 2019 and December 30, 2018, respectively, the substantial majority of which we expect to recognize as revenue within the next year.

NOTE 5. BALANCE SHEET COMPONENTS

Accounts Receivable, Net

(In thousands)	As of December 29, 2019	As of December 30, 2018
Accounts receivable, gross[1]	$ 153,633	$ 78,656
Less: allowance for doubtful accounts	(2,767)	(4,250)
Less: allowance for sales returns	(501)	(604)
Accounts receivable, net	$ 150,365	$ 73,802

1 In December 2018 and May 2019, Parent entered into factoring arrangements with two separate third-party factor agencies related to our accounts receivable from customers in Europe. As a result of these factoring arrangements, title of certain accounts receivable balances was transferred to third-party vendors, and both arrangements were accounted for as a sale of financial assets given effective control over these financial assets has been surrendered. As a result, these financial assets have been excluded from our Combined Balance Sheets. In connection with the factoring arrangements, we sold accounts receivable invoices amounting to $119.4 million and $26.3 million in fiscal 2019 and 2018, respectively. As of December 29, 2019 and December 30, 2018, total uncollected accounts receivable from end customers under both arrangements were $11.6 million and $21.0 million, respectively.

(in thousands)	Balance at Beginning of Period	Charges (Releases) to Expense	Deductions	Balance at End of Period
Allowance for doubtful accounts				
Year ended December 29, 2019	$ 4,250	$ 353	$ (1,836)	$2,767
Year ended December 30, 2018	$ 5,350	$ 252	$ (1,351)	$4,250
Allowance for sales returns				
Year ended December 29, 2019	604	(104)	—	501
Year ended December 30, 2018	657	(53)	—	604

Inventories

(In thousands)	As of December 29, 2019	As of December 30, 2018
Raw materials	$ 18,864	$ 42,591
Work-in-process	62,045	85,772
Finished goods	113,943	94,454
Inventories	$ 194,852	$ 222,817

Prepaid Expenses and Other Current Assets

(In thousands)	As of December 29, 2019	As of December 30, 2018
VAT receivables, current portion	$ 4,997	$ 6,607
Derivative financial instruments	1,002	729
Other receivables	23,835	16,672
Other prepaid expenses and other current assets	8,535	7,779
Prepaid expenses and other current assets	$ 38,369	$ 31,787

Other Intangible Assets, Net

(in thousands)	Gross	Accumulated Amortization	Net
As of December 29, 2019			
Patents and purchased technology	$36,527	$ (31,435)	$ 5,092
	$36,527	$ (31,435)	$ 5,092
As of December 30, 2018			
Patents and purchased technology	$36,527	$ (24,367)	$12,160
	$36,527	$ (24,367)	$12,160

Aggregate amortization expense for intangible assets totaled $7.3 million and $7.2 million for fiscal years 2019 and 2018, respectively.

As of December 29, 2019, the estimated future amortization expense related to intangible assets with finite useful lives is as follows:

(In thousands)	Amount
Fiscal Year Ended	
2020	$4,991
Thereafter	101
Total future amortization expense	$5,092

Property, Plant and Equipment, Net

	As of	
(In thousands)	December 29, 2019	December 30, 2018
Manufacturing equipment	$ 131,332	$ 95,857
Land and buildings	137,723	134,947
Leasehold improvements	99,165	113,133
Solar power systems	1,326	1,340
Computer equipment	30,039	29,566
Furniture and fixtures	2,662	3,383
Construction-in-process	12,500	8,260
Property, plant and equipment, gross	414,747	386,486
Less: accumulated depreciation	(133,547)	(100,746)
Property, plant and equipment, net	$ 281,200	$ 285,740

Impairment of Manufacturing Assets

In the second quarter of fiscal 2018, Parent announced its proposed plan to transition its corporate structure into upstream and downstream business units, and its long-term strategy to upgrade its IBC technology to Maxeon 5. Accordingly, Parent expected to upgrade the equipment associated with its manufacturing operations for the production of Maxeon 5 over the next several years. In connection with these planned changes that would impact the utilization of its manufacturing assets, continued pricing challenges in the industry, as well as the then ongoing uncertainties associated with the Section 201 trade case, Parent determined indicators of impairment existed and therefore performed a recoverability test by estimating future undiscounted net cash flows expected

to be generated from the use of these asset groups. Based on its fixed asset investment recoverability test performed, Parent determined that its estimate of future undiscounted net cash in-flows was insufficient to recover the carrying value of the upstream business unit's assets and consequently performed an impairment analysis by comparing the carrying value of the asset group to its estimated fair value.

Consistent with its accounting practices, in estimating the fair value of the long-lived assets, Parent made estimates and judgments that it believes reasonable market participants would make. The impairment evaluation utilized a discounted cash flow analysis inclusive of assumptions for forecasted profit, operating expenses, capital expenditures, remaining useful life of its manufacturing assets, and a discount rate, as well as market and cost approach valuations performed by a third-party valuation specialist, all of which require significant judgment by Parent management. In accordance with this evaluation, Parent recognized a non-cash impairment charge of $369.2 million during its fiscal quarter ended July 1, 2018. Out of Parent's impairment charge, the Company recognized $367.9 million, of which $354.8 million, $12.8 million, and $0.3 million were allocated to "Impairment of manufacturing assets", "Research and development" and "Sales, general and administrative", respectively, in the Company's Combined Statements of Operations for the year ended December 30, 2018. There were no significant impairment charges recorded in fiscal year 2019.

Other Long-term Assets

	As of	
(In thousands)	**December 29, 2019**	**December 30, 2018**
Equity investments without readily determinable fair value	$ 7,860	$ 8,389
Equity method investments	26,533	32,784
Deferred tax assets	8,927	10,409
Other	9,730	14,204
Other long term assets	$ 53,050	$ 65,786

Accrued Liabilities

	As of	
(In thousands)	**December 29, 2019**	**December 30, 2018**
Employee compensation and employee benefits	$ 19,547	$ 17,955
Short-term warranty reserves	10,111	8,403
Restructuring reserve	515	4,973
VAT payables	6,390	8,169
Derivative financial instruments	1,962	1,161
Legal expenses	5,265	8,081
Taxes payable	13,826	13,404
Liability due to supply agreement	28,031	28,045
Other	6,923	6,818
Accrued liabilities	$ 92,570	$ 97,008

Other Long-term Liabilities

(In thousands)	As of December 29, 2019	As of December 30, 2018
Long-term warranty reserves	$ 26,954	$ 42,351
Long-term liability due to supply agreement	—	25,630
Unrecognized tax benefits	12,849	10,332
Long-term security deposit payable	2,728	2,700
Long-term deferred rent liability	—	1,521
Deferred tax liability	337	866
Long-term pension liability	3,003	894
Other	655	5,281
Other long-term liabilities	$ 46,526	$ 89,575

Accumulated Other Comprehensive Loss

(In thousands)	As of December 29, 2019	As of December 30, 2018
Cumulative translation adjustment	$ (9,462)	$ (8,808)
Unrecognized gain on long-term pension liability adjustment	3,102	4,964
Derivatives	(1,258)	(164)
Accumulated other comprehensive loss	$ (7,618)	$ (4,008)

NOTE 6. FAIR VALUE MEASUREMENTS

Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement (observable inputs are the preferred basis of valuation):

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Measurements are inputs that are observable for assets or liabilities, either directly or indirectly, other than quoted prices included within Level 1.
- Level 3—Prices or valuations that require management inputs that are both significant to the fair value measurement and unobservable.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

We measure certain assets and liabilities at fair value on a recurring basis. There were no transfers between fair value measurement levels during the presented period. We did not have any assets or liabilities measured at fair value on a recurring basis requiring Level 3 inputs as of December 29, 2019 or December 30, 2018.

The following table summarizes our assets and liabilities measured and recorded at fair value on a recurring basis as of December 29, 2019 and December 30, 2018:

	December 29, 2019		December 30, 2018	
(In thousands)	Total Fair Value	Level 2	Total Fair Value	Level 2
Assets				
Prepaid expenses and other current assets				
Derivative financial instruments (Note 12)	$ 1,002	$1,002	$ 729	$ 729
Total assets	$ 1,002	$1,002	$ 729	$ 729
Liabilities				
Accrued liabilities				
Derivative financial instruments (Note 12)				
Total liabilities	$ 1,962	$1,962	$ 1,161	$1,161

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

We measure certain investments and non-financial assets (including property, plant and equipment) at fair value on a non-recurring basis in periods after initial measurement in circumstances when the fair value of such asset is impaired below its recorded cost. As of December 29, 2019 and December 30, 2018, there were no such items recorded at fair value, with the exception of our property, plant and equipment (see Note 5. *Balance Sheet Components)* and certain non-marketable equity investments.

Held-to-Maturity Debt Securities

Our debt securities, classified as held-to-maturity, are Philippine government bonds that we maintain as collateral for business transactions within the Philippines. These bonds have various maturity dates and are classified as “Restricted long-term marketable securities” on our Combined Balance Sheets. As of December 29, 2019 and December 30, 2018, these bonds had a carrying value of $6.2 million and $6.0 million, respectively. We record such held-to-maturity investments at amortized cost based on our ability and intent to hold the securities until maturity. We monitor for changes in circumstances and events that would affect our ability and intent to hold such securities until the recorded amortized costs are recovered. No other-than-temporary impairment loss was incurred during the period presented. The held-to-maturity debt securities were categorized in Level 2 of the fair value hierarchy.

Non-Marketable Equity Investments

Our non-marketable equity investments are securities in privately-held companies without readily determinable market values. On January 1, 2018, we adopted ASU 2016-01 and elected to adjust the carrying value of our non-marketable equity securities to cost less impairment, adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer. Non-marketable equity securities are classified within Level 3 in the fair value hierarchy because we estimate the value based on valuation methods using a combination of observable and unobservable inputs including valuation ascribed to the issuing company in subsequent financing rounds, volatility in the results of operations of the issuers and rights and obligations of the securities we hold. As of December 29, 2019 and December 30, 2018, we had $7.9 million and $8.4 million in investments accounted for under the measurement alternative method, respectively.

Equity Method Investments

Our investments accounted for under the equity method are described in Note 9. *Equity Investments*. We monitor these investments, which are included within “Other long-term assets” in our Combined Balance Sheets, for impairment and record reductions in the carrying values when necessary. Circumstances that indicate an other-than-temporary decline include Level 3 measurements such as the valuation ascribed to the issuing company in subsequent financing rounds, decreases in quoted market prices, and declines in the results of operations of the issuer.

NOTE 7. RESTRUCTURING

February 2018 Restructuring Plan

During the first quarter of fiscal 2018, Parent adopted a restructuring plan and began implementing initiatives to reduce operating expenses and cost of revenue overhead in light of the known shorter-term impact of U.S. tariffs imposed on PV solar cells and modules pursuant to Section 201 of the Trade Act of 1974 and Parent's broader initiatives to control costs and improve cash flow. In connection with the plan, Parent expects between 150 and 250 non-manufacturing employees to be affected, representing approximately 3% of its global workforce, with a portion of those employees exiting from us as part of a voluntary departure program. The changes to the workforce will vary by country, based on local legal requirements and consultations with employee works councils and other employee representatives, as appropriate.

The restructuring activities are substantially complete, and any remaining costs to be incurred are not expected to be material. We have incurred cumulative costs of $5.4 million as of December 29, 2019.

December 2016 Restructuring Plan

During the fourth quarter of fiscal 2016, Parent adopted a restructuring plan to reduce costs and focus on improving cash flow, primarily related to the closure of the Philippine-based Fab 2 manufacturing facility. There were charges of $1.8 million related to this plan recorded during fiscal year 2018 and charges during 2019 were not material. The restructuring activities were substantially complete as of the second quarter of fiscal 2018, and any remaining costs to be incurred are not expected to be material. Cumulative costs incurred under this plan were $157.4 million as of December 29, 2019.

Legacy Restructuring Plans

Prior to fiscal 2016, Parent implemented approved restructuring plans to align with changes in the global solar market, which included the consolidation of our Philippine manufacturing operations, as well as actions to accelerate operating cost reduction and improve overall operating efficiency. These restructuring activities were substantially complete as of the second quarter of fiscal 2017, and any remaining costs to be incurred are not expected to be material. Cumulative costs incurred under these plans amounted to $164.3 million as of December 29, 2019.

The following table summarizes the period-to-date restructuring charges by plan recognized in our Combined Statements of Operations:

	Fiscal Year Ended	
(In thousands)	December 29, 2019	December 30, 2018
February 2018 Restructuring Plan:		
Severance and benefits	$ (234)	$ 5,821
Other costs[1]	(299)	159
Total February 2018 Restructuring Plan	(533)	5,980
December 2016 Plan:		
Severance and benefits		523
Lease and related termination costs		6
Other costs[1]	5	1,309
Total December 2016 Plan	5	1,838
Legacy Restructuring Plans:		
Severance and benefits		(282)
Other costs[1]	11	230
Total Legacy Plan	11	(52)
Total restructuring charges	$ (517)	$ 7,766

[1] Other costs primarily represent associated legal and advisory services, and costs of relocating employees.

The following table summarizes the restructuring reserve movements during the years ended December 30, 2018 and December 29, 2019:

	Fiscal Year Ended						
(In thousands)	December 31, 2017	Charges (Benefits)	Recovery (Payments)	December 30, 2018	Charges (Benefits)	Recovery (Payments)	December 29, 2019
February 2018 Restructuring Plan:							
Severance and benefits	$ —	$ 5,821	$ (1,305)	$ 4,516	$ (234)	$ (4,062)	$ 220
Other costs[1]	—	159	(159)	—	(299)	299	—
Total February 2018 Restructuring Plan	—	5,980	(1,464)	4,516	(533)	(3,763)	220
December 2016 Plan:							
Severance and benefits	54	523	(577)	—	—	—	—
Lease and related termination costs	—	6	(6)	—	—	—	—
Other costs[1]	43	1,309	(1,352)	—	5	(5)	—
Total December 2016 Plan	97	1,838	(1,935)	—	5	(5)	—
Legal Restructuring Plans:							
Severance and benefits	662	(282)	4	384	—	(141)	243
Other costs[1]	6	230	(163)	73	11	(31)	53
Total Legacy Plan	668	(52)	(159)	457	11	(172)	296
Total restructuring charges	$ 765	$ 7,766	$ (3,558)	$ 4,973	$ (517)	$ (3,941)	$ 515

1 Other costs primarily represent associated legal and advisory services, and costs of relocating employees.

NOTE 8. COMMITMENTS AND CONTINGENCIES

Facility and Equipment Lease Commitments

We lease certain facilities under non-cancellable operating leases from third parties. As of December 29, 2019 and December 30, 2018, future minimum lease payments for facilities under operating leases were $28.3 million and $31.1 million, respectively, to be paid over the remaining contractual terms of up to 7.6 years. We also lease certain buildings, machinery and equipment under non-cancellable finance leases. As of December 29, 2019 and December 30, 2018, future minimum lease payments for assets under finance leases were $2.1 million and $2.8 million, respectively, to be paid over the remaining contractual terms of up to 3.4 years. Of the $2.1 million, $0.6 million is included in “Short-term debt” and $1.5 million is included in “Long-term debt” on the Combined Balance Sheets as of December 29, 2019.

We have disclosed quantitative information related to the lease contracts we have entered into as a lessee by aggregating the information based on the nature of the asset such that assets with similar characteristics and lease terms are shown within one single financial statement line item.

The table below presents the summarized quantitative information with regard to lease contracts we have entered into:

(In thousands)	Fiscal Year Ended December 29, 2019
Operating leases:	
Operating lease expense	$ 5,119
Rent expense	$ 5,119
Cash paid for amounts included in the measurement of lease liabilities	
Cash paid for operating leases	$ 5,259
Right-of-use assets obtained in exchange for lease obligations[1]	$ 21,209
Weighted-average remaining lease term (in years) – operating leases	6.6
Weighted-average discount rate – operating leases	9%

1 Amounts for the year ended December 29, 2019, include the transition adjustment for the adoption of ASC 842 and new ROU asset addition. See Note 2. Summary of Significant Accounting Policies.

The following table presents our minimum future rental payments on operating leases placed in service as of December 29, 2019:

		Payments Due by Fiscal Period					
(In thousands)	Total	2020	2021	2022	2023	2024	Thereafter
Minimum future rental payments	$28,267	$4,249	$4,177	$3,795	$3,903	$3,894	$ 8,249

Purchase Commitments

We purchase raw materials for inventory and manufacturing equipment from a variety of vendors. During the normal course of business, in order to manage manufacturing lead times and help assure adequate supply, we enter into agreements with contract manufacturers and suppliers that either allow them to procure goods and services based on specifications defined by us, or that establish parameters defining our requirements. In certain instances, these agreements allow us the option to cancel, reschedule or adjust our requirements based on our business needs before firm orders are placed. Consequently, purchase commitments arising from these agreements are excluded from our disclosed future obligations under non-cancellable and unconditional commitments.

We also have agreements with several suppliers, including some of our non-consolidated investees, for the procurement of polysilicon, ingots, and wafers, as well as certain module-level power electronics and related equipment, which specify future quantities and pricing of products to be supplied by one vendor for periods of up to 2 years and provide for certain consequences, such as forfeiture of advanced deposits and liquidated damages relating to previous purchases, in the event that we terminate the arrangements or fail to satisfy our obligations under the agreements.

Future purchase obligations under non-cancellable purchase orders and long-term supply agreements as of December 29, 2019 are as follows:

(In thousands)	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Thereafter	Total[1]
Future purchase obligations	$465,231	$ 38,054	$ —	$ —	$ —	$503,285

1 Total future purchase obligations comprised of $154.7 million related to non-cancellable purchase orders and $348.6 million related to long-term supply agreements.

We expect that all obligations related to non-cancellable purchase orders for manufacturing equipment will be recovered through future cash flows of the solar cell manufacturing lines and solar panel assembly lines when such long-lived assets are placed in service. Factors considered important that could result in an impairment review include significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets, and significant negative industry or economic trends. Obligations related to non-cancellable purchase orders for inventories match current and forecasted sales orders that will consume these ordered materials and actual consumption of these ordered materials is regularly compared to expected demand. We anticipate total obligations related to long-term supply agreements for inventories, some of which (in the case of polysilicon) are at purchase prices significantly above current market prices for similar materials available in the market, will be recovered because the quantities required to be purchased are expected to be utilized in the manufacture and profitable sale of solar power products in the future based on our long-term operating plans. Additionally, in order to reduce inventory and improve working capital, we have periodically elected to sell polysilicon inventory in the marketplace at prices below our purchase price, thereby incurring a loss. The terms of the long-term supply agreements are reviewed annually by us and we assess the need for any accruals for estimated losses on adverse purchase commitments, such as lower of cost or net realizable value adjustments that will not be recovered by future sales prices, forfeiture of advanced deposits and liquidated damages, as necessary.

Advances to Suppliers

As noted above, we have entered into agreements with various vendors, and such agreements with two of our vendors are structured as “take or pay” contracts, that specify future quantities and pricing of products to be supplied. Certain agreements also provide for penalties or forfeiture of advanced deposits in the event we terminate the arrangements. Under certain agreements, we were required to make prepayments to the vendors over the terms of the arrangements. As of December 29, 2019 and December 30, 2018, advances to suppliers totaled $121.4 million and $171.5 million, respectively, of which $107.4 million and $37.8 million are classified as “Advances to suppliers, current portion” in our Combined Balance Sheets. One supplier accounted for 99.6% of total advances to suppliers as of December 30, 2018. One supplier accounted for 100.0% of total advances to suppliers as of December 29, 2019.

Advances from Customers

The estimated utilization of advances from customers included within “Contract liabilities, current portion” and “Contract liabilities, net of current portion” on our Combined Balance Sheets as of December 29, 2019 is as follows:

(In thousands)	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Thereafter	Total
Estimated utilization of advances from customers	$ 77,998	$ 35,443	$ 173	$ —	$ —	$113,613

We have entered into other agreements with customers who have made advance payments for solar power products and systems. These advances will be applied as shipments of product occur. In November 2016, we and Total entered into a four-year, up to 200-MW supply agreement to support the solarization of Total facilities (see Note 3. *Transactions with Total and Total S.A.*); in March 2017, we received a prepayment totaling $88.5 million. As of December 29, 2019 and December 30, 2018, the advance payment from Total was $53.0 million and $63.7 million, respectively, of which $17.6 million and $18.4 million were classified as short-term in our Combined Balance Sheets, based on projected shipment dates.

Product Warranties

The following table summarizes accrued warranty activity for fiscal 2019 and 2018:

	Fiscal Year Ended	
(In thousands)	2019	2018
Balance at the beginning of the period	$ 50,754	$ 51,332
Accruals for warranties issued during the period	10,571	13,362
Settlements and adjustments during the period	(24,260)	(13,940)
Balance at the end of the period	$ 37,065	$ 50,754

Liabilities Associated with Uncertain Tax Positions

Total liabilities associated with uncertain tax positions were $12.8 million and $10.3 million as of December 29, 2019 and December 30, 2018, respectively. These amounts are included within “Other long-term liabilities” in our Combined Balance Sheets as they are not expected to be paid within the next 12 months. Due to the complexity and uncertainty associated with our tax positions, we cannot make a reasonably reliable estimate of the period in which cash settlement, if any, would be made for our liabilities associated with uncertain tax positions in Other long-term liabilities.

Defined Benefit Pension Plans

Parent maintain defined benefit pension plans for certain of our non-U.S. employees. Benefits under these plans are generally based on an employee’s years of service and compensation. Funding requirements are determined on an individual country and plan basis and are subject to local country practices and market circumstances. The funded status of the pension plans, which represents the difference between the benefit obligation and fair value of plan assets, is calculated on a plan-by-plan basis. The benefit obligation and related funded status are determined using assumptions as of the end of each fiscal year. We recognize the overfunded or underfunded status of our pension plans as an asset or liability on our Combined Balance Sheets. As of December 29, 2019 and December 30, 2018, the underfunded status of our pension plans presented within “Other long-term liabilities” on our Combined Balance Sheets was $3.0 million and $0.9 million, respectively. The impact of transition assets and obligations and actuarial gains and losses are recorded within “Accumulated other comprehensive loss” and are generally amortized as a component of net periodic cost over the average remaining service period of participating employees. Total other comprehensive loss related to our benefit plans was $1.8 million for the year ended December 29, 2019 and total other comprehensive gain related to our benefit plans was $1.6 million for the year ended December 30, 2018. As these pension plans are maintained at one of our foreign entities, certain of our non-U.S. employees will continue to be part of these pension plans after the spin-off from our Parent.

Indemnifications

In the ordinary course of business, the Company enters into contractual arrangements under which the Company may agree to indemnify a third party to such arrangement from any losses incurred relating to the services they perform on behalf of the Company or for losses arising from certain events as defined within the particular contract, which may include, for example, litigation or claims relating to past performance. Historically, payments made related to these indemnifications have been immaterial.

Similarly, the Company enters into contractual arrangements under which Parent or other third parties agrees to indemnify the Company for certain litigation and claims to which we are a party. As the exposure related to these claims are directly attributable to the Company’s historical operations, the Company has recognized a liability in the amount of $2.7 million and $9.7 million in the combined financial statements as of

December 29, 2019 and December 30, 2018, respectively, consistent with the Company's recognition and measurement principles and assumptions. The Company has also separately recognized a receivable for the indemnity provided by Total of $1.1 million and $4.7 million as of December 29, 2019 and December 30, 2018, respectively. This receivable is recognized utilizing the same recognition and measurement principles and assumptions that were used to measure the liability. The liability and receivable balances are recorded in "Other long-term liabilities" and "Other long-term assets", respectively, in the Combined Balance Sheets.

Legal Matters

We are a party to various litigation matters and claims that arise from time to time in the ordinary course of our business. While we believe that the ultimate outcome of such matters will not have a material adverse effect on us, their outcomes are not determinable and negative outcomes may adversely affect our financial position, liquidity, or results of operations. In addition, under the Separation and Distribution Agreement we will enter into with Parent in connection with the spin-off, Parent has agreed to indemnify us for certain litigation claims to which certain of our subsidiaries are named the defendant or party. The liabilities related to these legal claims and an offsetting receivable from Parent are reflected on our Combined Balance Sheets as of December 29, 2019 and December 30, 2018.

NOTE 9. EQUITY INVESTMENTS

Our equity investments consist of equity method investments and equity investments without readily determinable fair value**.**

Equity Method Investments

Dongfang Huansheng Photovoltaic (Jiangsu) Co., Ltd. ("Dongfang")

In March 2016, we entered into an agreement with Dongfang Electric Corporation and Tianjin Zhonghuan Semiconductor Co., Ltd. to form Dongfang Huansheng Photovoltaic (Jiangsu) Co., Ltd., a jointly owned solar cell manufacturing facility to manufacture our P-Series modules in China. The joint venture is based in Yixing City in Jiangsu Province, China. In March 2016, we made an initial $9.2 million investment for a 15% equity ownership interest in the joint venture, which was accounted for under the cost method. In February 2017, we invested an additional $9.0 million which included an investment of $7.7 million and reinvested dividends of $1.3 million, bringing our equity ownership to 20% of the joint venture. In February and April 2018, we invested an additional $6.3 million and $7.0 million (net of $0.7 million of dividends reinvested), respectively, maintaining our equity ownership at 20% of the joint venture.

We have concluded that we are not the primary beneficiary of the joint venture because, although we are obligated to absorb losses and has the right to receive benefits, we alone do not have the power to direct the activities of the joint venture that most significantly impact its economic performance. We account for our investment in the joint venture using the equity method because we are able to exercise significant influence over the joint venture due to our board position. The Company is not contractually obligated to provide additional funding to the joint venture and therefore, the maximum exposure to loss is restricted to the carrying amount of the investment as disclosed on the Combined Balance Sheets.

Huaxia CPV (Inner Mongolia) Power Co., Ltd. ("CCPV")

In December 2012, we entered into an agreement with Tianjin Zhonghuan Semiconductor Co. Ltd., Inner Mongolia Power Group Co. Ltd. and Hohhot Jinqiao City Development Company Co., Ltd. to form CCPV, a jointly owned entity to manufacture and deploy our low-concentration PV ("LCPV") concentrator technology in Inner Mongolia and other regions in China. CCPV is based in Hohhot, Inner Mongolia. The establishment of the entity was subject to approval of the Chinese government, which was received in the fourth quarter of fiscal 2013. In December 2013, we made a $16.4 million equity investment in CCPV, for a 25% equity ownership.

We have concluded that we are not the primary beneficiary of CCPV because, although we are obligated to absorb losses and have the right to receive benefits, we alone do not have the power to direct the activities of CCPV that most significantly impact its economic performance. We account for our investment in CCPV using the equity method because we are able to exercise significant influence over CCPV due to our board position. Due to changes in certain facts and circumstances, in fiscal 2017, we impaired the entire amount of this investment.

Equity Investments without Readily Determinable Fair Value

Deca Technologies, Inc.

In September 2010, we entered into an agreement to purchase preferred shares of Deca Technologies, Inc., a subsidiary of Cypress Semiconductor, that commercializes a proprietary electronic system interconnect technology. The investment was intended to monetize our intellectual property and capabilities in an adjacent field and potential co-development opportunities in the future. Pursuant to the share purchase agreement, we are entitled to certain liquidation and conversion rights of holders of such preferred shares. Concurrent with the purchase agreement, we also entered into a lease and facility service agreement and license agreement. As of December 29, 2019 and December 30, 2018, our total equity investment in Deca Technologies, Inc. was $5.2 million.

Hohhot Huanju New Energy Development Co. Ltd.

In November 2015, we entered into an agreement with Zhonghuan Energy (Inner Mongolia) Co. and Apple Operations to form Hohhot Huan Ju New Energy Development Co., a jointly owned entity to develop, construct and operate a photovoltaic station up to 300 MW. Hohhot is based in Hohhot, Inner Mongolia. In December 2017, we made a $2.7 million equity investment in Hohhot, for a 4.6% equity ownership.

	As of	
(In thousands)	December 29, 2019	December 30, 2018
Equity method investments	$ 26,533	$ 32,784
Equity investments without readily determinable fair value	7,860	8,389
Total equity investments	$ 34,393	$ 41,173

Related-party transactions with equity method investees are as follows:

	As of	
(In thousands)	December 29, 2019	December 30, 2018
Accounts payable	$ 62,811	$ 7,982
Accrued liabilities	3,679	10,398

	As of	
(In thousands)	December 29, 2019	December 30, 2018
Payments made to investees for products/services	$ 295,415	$ 80,150

NOTE 10. TRANSACTIONS WITH PARENT AND NET PARENT INVESTMENT

Sales to Parent

During fiscal 2019 and 2018, we had sales of $426.5 million and $388.5 million to Parent representing the sale of solar modules to Parent based on transfer prices determined based on management's assessment of market-based pricing terms. Sales to Parent were recognized in line with our revenue recognition policy for sales to third-party customers, as discussed in Note 2. *Summary of Significant Accounting Policies*. As of December 29, 2019 and December 30, 2018, accounts receivable due from Parent related to these sales amounted to $51.8 million and $20.3 million, respectively.

Allocation of Corporate Expenses

As discussed in Note 2. *Summary of Significant Accounting Policies*, the Combined Statements of Operations and Comprehensive Loss include an allocation of general corporate expenses from Parent for certain management and support functions. These allocations amounted to $26.6 million and $18.8 million for fiscal 2019 and 2018, respectively, and are reflected in sales, general, and administration expenses. Management believes the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by us during the period presented. Allocated costs may differ from actual costs which would have been incurred if we had operated independently during the periods presented.

Our financial statements do not purport to reflect what results of operations, financial position, equity, or cash flows would have been if we had operated as a stand-alone company during the period presented. In December 2015, Parent issued 4.00% debentures due 2023, the proceeds of which were used to finance our solar cell manufacturing facility in the Philippines which relates to our historical business. As such, $17.0 million of interest expense associated with the 4.00% debentures due 2023 is reflected in the Combined Statements of Operations and Comprehensive Loss for each of the periods ended December 29, 2019 and December 30, 2018.

Net Parent Investment

Net parent investment on the Combined Balance Sheets and Statements of Equity represents Parent's historical investment in the Company, the net effect of transactions with and allocations from Parent and the Company's accumulated earnings. As part of SunPower, the Company is dependent on Parent for its working capital and financing requirements as SunPower uses a centralized approach for cash management and financing of its operations. Parent provides funding for our operating and investing activities including pooled cash managed by Parent treasury to fund operating expenses and capital expenditures. Parent also directly collects our receivables. These activities are reflected as a component of net parent investment, and this arrangement is not reflective of the manner in which we would operate on a stand-alone business separate from Parent during the period presented. Accordingly, none of Parent's cash, cash equivalents or debt at the corporate level have been assigned to the Company in the combined financial statements. Net parent investment represents Parent's interest in the recorded net assets of the Company. All significant transactions between the Company and Parent have been included in the accompanying combined financial statements. Transactions with Parent are reflected in the accompanying Combined Statements of Equity as "Net Parent contribution".

Net Parent Contributions

The components of Net Parent contribution on the Combined Statements of Equity for the year ended December 29, 2019 and December 30, 2018 were as follows:

	Fiscal Year Ended	
(In thousands)	**December 29, 2019**	**December 30, 2018**
General financing activities	$ 61,971	$ 152,239
Corporate allocations	26,096	18,822
Interest expense financed and paid by Parent	19,485	17,000
Stock-based compensation expense	7,135	8,580
Total Net Parent contributions per Combined Statement of Equity	$ 114,687	$ 196,641

A reconciliation of Net Parent contributions in the Combined Statements of Equity to the corresponding amount presented on the Combined Statements of Cash Flows for the period presented was as follows:

	Fiscal Year Ended	
(In thousands)	December 29, 2019	December 30, 2018
Total Net Parent contribution per Combined Statements of Equity	$ 114,687	$ 196,641
Interest expense financed and paid by Parent	(19,485)	(17,000)
Stock-based compensation expense	(7,135)	(8,580)
Other	4,342	28
Total Net Parent contribution per Combined Statements of Cash Flows	$ 92,409	$ 171,089

NOTE 11. DEBT AND CREDIT SOURCES

In 2019, Parent entered into a Master Buyer Agreement, which entitles us to financing through HSBC Bank Malaysia Berhad to settle our outstanding vendor obligations. The agreement entitles us to combined financing of $25.0 million at an interest rate of 1.4% per annum over LIBOR interest rate over a maximum financing tenor of 90 days. As of December 29, 2019, the face value of this outstanding debt was $22.0 million recorded in “Short-term debt” on the Combined Balance Sheet.

In June 2018, Parent entered into a Revolving Credit agreement which entitles us to import and export combined financing of $50.0 million through Standard Chartered Bank Malaysia Berhad at a 1.5% per annum over LIBOR interest rate over a maximum financing tenor of 90 days.

As of December 29, 2019 and December 30, 2018, the face value of this outstanding debt was $37.7 million and $39.1 million, respectively, recorded in “Short-term debt” on the Combined Balance Sheets, the total amount of which will mature in fiscal 2020. During the years ended December 29, 2019 and December 30, 2018, the Company recorded interest expense of $1.7 million and $1.3 million, respectively, related to this debt, which is reported as interest expense on the Combined Statements of Operations.

In June 2012, Parent entered into an Onshore Foreign Currency Loan agreement through Bank of China (Malaysia) Berhad, which provides for the issuance, upon our request, of letters of credit to support our obligations. The agreement entitles us to combined financing of $10.0 million at an interest rate of 1.0% per annum over Cost of Funds Rate for a minimum financing tenor of 7 days and maximum financing tenor of 90 days. There was no amount outstanding related to this debt as of December 29, 2019 and December 30, 2018.

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS

The following tables present information about our hedge instruments measured at fair value on a recurring basis as of December 29, 2019 and December 30, 2018 all of which utilize Level 2 inputs under the fair value hierarchy:

(In thousands)	Balance Sheet Classification	December 29, 2019	December 30, 2018
Assets:			
Derivatives designated as hedging instruments:			
Foreign currency forward exchange contracts	Prepaid expenses and other current assets	$ 514	$ —
Derivatives not designated as hedging instruments:			
Foreign currency forward exchange contracts	Prepaid expenses and other current assets	$ 488	$ 729
		$ 1,002	$ 729
Liabilities:			
Derivatives designated as hedging instruments:			
Foreign currency forward exchange contracts	Accrued liabilities	$ 461	$ —
Foreign currency option contracts	Accrued liabilities	922	—
		$ 1,383	$ —
Derivatives not designated as hedging instruments:			
Foreign currency forward exchange contracts	Accrued liabilities	$ 579	$ 1,161
		$ 579	$ 1,161

	December 29, 2019		
(In thousands)	Gross Amounts	Net Amounts Presented	Gross Amounts Not Offset in the Combined Balance Sheets, but Have Rights to Offset Financial Instruments
Derivative assets	$ 1,002	$ 1,002	$ 1,002
Derivative liabilities	1,962	1,962	1,962

	December 30, 2018		
(In thousands)	Gross Amounts	Net Amounts Presented	Gross Amounts Not Offset in the Combined Balance Sheets, but Have Rights to Offset Financial Instruments
Derivative assets	$ 729	$ 729	$ 729
Derivative liabilities	1,161	1,161	1,161

Foreign Currency Exchange Risk

Non-Designated Derivatives Hedging Transaction Exposure

Derivatives not designated as hedging instruments consist of forward and option contracts used to hedge re-measurement of foreign currency denominated monetary assets and liabilities primarily for intercompany transactions, receivables from customers, and payables to third parties. Changes in exchange rates between our subsidiaries' functional currencies and the currencies in which these assets and liabilities are denominated can create fluctuations in our reported combined financial position, results of operations and cash flows. As of December 29, 2019, to hedge balance sheet exposure, we held forward contracts with an aggregate notional value of $17.5 million. These foreign currency forward contracts have maturity of one month or less. As of December 30, 2018, to hedge balance sheet exposure, we held forward contracts with aggregate notional value of $11.4 million. These contracts matured in January 2019.

Credit Risk

Our option and forward contracts do not contain any credit-risk-related contingent features. We are exposed to credit losses in the event of nonperformance by the counterparties to these option and forward contracts. We enter into derivative contracts with high-quality financial institutions and limit the amount of credit exposure to any single counterparty. In addition, we continuously evaluate the credit standing of our counterparties.

NOTE 13. INCOME TAXES

The Company's income tax expense and deferred tax balances have been calculated on a separate return basis as if the Company filed its own tax returns, although its operations have been included in SunPower's U.S. federal, state and foreign tax returns. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if the Company were a separate taxpayer and a standalone enterprise for the period presented.

Benefit from (Provision for) Taxes

In the year ended December 29, 2019, our income tax expense of $10.1 million on a loss before income taxes and equity in earnings of unconsolidated investees of $161.0 million was primarily due to tax expenses in foreign jurisdictions that were profitable. In the year ended December 30, 2018, our income tax benefit of $1.1 million on a loss before income taxes and equity in earnings of unconsolidated investees of $602.2 million was primarily due to releases of valuation allowance in a foreign jurisdiction and tax reserves due to lapse of statutes of limitation offset by income tax expenses in foreign jurisdictions that were profitable.

The geographic distribution of loss from continuing operations before income taxes and equity in losses of unconsolidated investees and the components of provision for income taxes are summarized below:

	Fiscal Year Ended	
(In thousands)	**2019**	**2018**
Geographic distribution of loss from continuing operations before income taxes and equity in losses of unconsolidated investees:		
U.S. loss	$ (219,498)	(498,488)
Non-U.S. income (loss)	58,452	(103,699)
Loss before income taxes and equity in losses of unconsolidated investees	$ (161,046)	(602,187)

The (provision for) benefit from income taxes on earnings was as follows:

(In thousands)	Fiscal Year Ended 2019	2018
(Provision for) benefit from income taxes:		
Current tax benefit (expense)		
Federal	$ —	—
State	—	—
Foreign	(9,305)	(5,434)
Total current tax expense	(9,305)	(5,434)
Deferred tax benefit (expense)		
Federal	—	—
State	—	—
Foreign	(817)	6,484
Total deferred tax (expense) benefit	(817)	6,484
(Provision for) benefit from income taxes	$ (10,122)	1,050

The (provision for) benefit from income taxes differs from the amounts obtained by applying the statutory U.S. federal tax rate to income before taxes as shown below:

(In thousands)	Fiscal Year Ended 2019	2018
Statutory rate	21%	21%
Tax benefit at U.S. statutory rate	$ 33,819	$126,459
Foreign rate differential	1,116	(21,914)
Foreign income inclusion in the U.S.	(4,366)	(48,998)
Change in valuation allowance	(38,627)	(56,553)
Unrecognized tax (expense) benefits	(2,424)	1,187
Other	360	869
(Provision for) benefit from income taxes	$(10,122)	$ 1,050

Deferred Tax Assets and Liabilities

Long-term deferred tax assets and liabilities are presented in the Combined Balance Sheets as follows:

(In thousands)	Fiscal Year Ended 2019	2018
Deferred tax assets:		
Net operating loss carryforwards	$ 142,052	96,329
Reserves and accruals	21,272	13,898
Fixed assets	1,684	2,657
Stock-based compensation—stock deductions	3,429	1,909
Total deferred tax assets	168,437	114,793
Valuation allowance	(152,654)	(100,301)
Total deferred tax assets, net of valuation allowance	15,783	14,492
Deferred tax liabilities:		
Other intangible assets and accruals	(7,193)	(4,949)
Total deferred tax liabilities	(7,193)	(4,949)
Net deferred tax assets	$ 8,590	9,543

The Company generated federal and California state net operating losses of approximately $408.0 and $660.1 million, respectively. The federal and California state net operating losses will not be available on a carryforward basis because the U.S. corporation that generated them will not be a part of the Maxeon group. The Company's deferred tax assets primarily relate to timing differences and net operating losses in France and Italy. The foreign net operating losses can be carried forward indefinitely and are available for offset against future tax liabilities.

We were subject to tax holidays in the Philippines where we manufacture our solar power products. Our most recent income tax holidays were granted as manufacturing lines were placed in service. Tax holidays in the Philippines reduce our tax rate to 0% from 30% through March 2020. Tax savings associated with the Philippines tax holidays were approximately $4.0 million and $3.4 million in fiscal years 2019 and 2018, respectively. We continue to qualify for a 5% preferential tax rate on gross income attributable to activities covered by our PEZA registrations. The Philippine net income attributable to all other activities will be taxed at the statutory Philippine corporate income tax rate, currently 30%.

We qualified for the auxiliary company status in Switzerland where we sell our solar power products. The auxiliary company status entitled us to a reduced tax rate of 11.5% in Switzerland from approximately 24.2%. Tax savings associated with the auxiliary company status were approximately $2.3 million and $1.8 million in fiscal years 2019 and 2018, respectively. The 2019 Federal Act and Tax Reform and AHV Financing (TRAF) removed privileged corporate tax regimes such preferential rate on auxiliary companies in Switzerland. Starting January 1, 2020, we expect our Swiss subsidiary to be taxed at an effective tax rate of 14%.

We are subject to a tax holiday in Malaysia where we manufacture our solar power products. Our current tax holiday in Malaysia was granted to our former joint venture AUOSP (now a wholly owned subsidiary). The tax holiday in Malaysia reduces our tax rate to 0% from 24% (through June 2021). Tax savings associated with the Malaysia tax holiday were approximately $3.9 million and $7.6 million in fiscal years 2019 and 2018, respectively.

Valuation Allowance

Our valuation allowance is related to deferred tax assets in the United States, Malta, South Africa, and Spain and was determined by assessing both positive and negative evidence. In determining whether it is more likely than not that deferred tax assets are recoverable, the assessment is required to be done on a jurisdiction by jurisdiction basis; we believe that sufficient uncertainty exists with regard to the realizability of these assets such that a valuation allowance is necessary. Factors considered in providing a valuation allowance include the lack of a significant history of consistent profits, the lack of consistent profitability in the solar industry, the limited capacity of carrybacks to realize these assets, and other factors. Based on the absence of sufficient positive objective evidence, we are unable to assert that it is more likely than not that we will generate sufficient taxable income to realize net deferred tax assets. Should we achieve a certain level of profitability in the future, we may be able to reverse the valuation allowance which would result in a non-cash income statement benefit. The increase in valuation allowance for fiscal year 2019 was $52.4 million.

Unrecognized Tax Benefits

Current accounting guidance contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits during fiscal 2019 and 2018 is as follows:

	Fiscal Year Ended	
(In thousands)	December 29, 2019	December 30, 2018
Balance, beginning of year	$ 32,119	33,511
Additions/(decrease) for tax positions related to the current year	2,380	2,197
Additions/(decrease) for tax positions from prior years	—	—
Reductions for tax positions from prior years/statute of limitations expirations	(388)	(1,129)
Foreign exchange (gain) loss	(609)	(2,460)
Balance at end of the period	$ 33,502	32,119

Included in the unrecognized tax benefits at fiscal year 2019 and 2018 is $33.0 million and $31.6 million, respectively, that if recognized, would impact our effective tax rate. Certain components of the unrecognized tax benefits are recorded against deferred tax asset balances.

We believe that events that could occur in the next 12 months and cause a change in unrecognized tax benefits include, but are not limited to, the following:

- commencement, continuation or completion of examinations of our tax returns by foreign taxing authorities; and
- expiration of statutes of limitation on our tax returns.

The calculation of unrecognized tax benefits involves dealing with uncertainties in the application of complex global tax regulations. Uncertainties include, but are not limited to, the impact of legislative, regulatory and judicial developments, transfer pricing and the application of withholding taxes. We regularly assess our tax positions in light of legislative, bilateral tax treaty, regulatory and judicial developments in the countries in which we do business. We determined that an estimate of the range of reasonably possible change in the amounts of unrecognized tax benefits within the next 12 months cannot be made.

Classification of Interests and Penalties

We accrue interest and penalties on tax contingencies which are classified as “(Provision for) benefit from income taxes” in our Combined Statements of Operations. Accrued interest as of December 29, 2019 and December 30, 2018 was approximately $0.9 million and $0.6 million, respectively. Accrued penalties were not material for the periods presented.

Tax Years and Examination

We file tax returns in each jurisdiction in which we are registered to do business. Maxeon Solar has not filed any tax returns in the United States nor is it expected to file any in the future because the headquarters will be domiciled outside of the United States. In many foreign countries in which we file tax returns, a statute of limitations period exists. After a statute of limitations period expires, the respective tax authorities may no longer assess additional income tax for the expired period. Similarly, we are no longer eligible to file claims for refund

for any tax that we may have overpaid. The following table summarizes our major tax jurisdictions and the tax years that remain subject to examination by these jurisdictions as of December 29, 2019:

Tax Jurisdictions	Tax Years
Switzerland	2014 and onward
Philippines	2009 and onward
France	2016 and onward
Italy	2015 and onward

We are under tax examinations in various jurisdictions. We do not expect the examinations to result in a material assessment outside of existing reserves. If a material assessment in excess of current reserves results, the amount that the assessment exceeds current reserves will be a current period charge to earnings.

NOTE 14. STOCK-BASED COMPENSATION

Certain of the Company's employees participate in stock-based compensation plans sponsored by Parent. Parent's stock-based compensation plans include incentive compensation plans. All awards granted under the plans are based on Parent's common shares and, as such, are reflected in Parent's Consolidated Statements of Stockholders' Equity and not in the Company's Combined Statements of Equity. Stock-based compensation expense include expense attributable to the Company based on the awards and terms previously granted to the Company's employees and an allocation of Parent's corporate and shared functional employee expenses.

The following table summarizes the stock-based compensation expense by line item in the Combined Statements of Operations:

	Fiscal Year Ended	
(In thousands)	2019	2018
Cost of revenue	$1,642	$2,605
Research and development	1,880	2,519
Sales, general and administrative	3,613	3,456
Total stock-based compensation expense	$7,135	$8,580

As of December 29, 2019 and December 30, 2018, the total unrecognized stock-based compensation related to outstanding restricted stock units was $16.3 million and $15.8 million, respectively, which we expect to recognize over a weighted-average period of 2.6 years and 2.5 years, respectively.

Equity Incentive Programs

Parent's Stock-based Incentive Plans

During fiscal 2018 and 2019, Parent had two stock incentive plans applicable to our employees: (i) the Third Amended and Restated 2005 SunPower Corporation Stock Incentive Plan ("2005 Plan") and (ii) the SunPower Corporation 2015 Omnibus Incentive Plan ("2015 Plan"). The 2005 Plan was adopted by Parent's Board of Directors in August 2005, and was approved by stockholders in November 2005. The 2015 Plan, which subsequently replaced the 2005 Plan, was adopted by Parent's Board of Directors in February 2015, and was approved by its stockholders in June 2015. On November 13, 2018, Parent filed post-effective amendments to registration statements associated with the 2005 Plan, among others, to deregister shares no longer required to be registered for issuance under those plans, as no new awards had been made and all options had been exercised or had expired.

The 2015 Plan allows for the grant of options, as well as grant of stock appreciation rights, restricted stock grants, restricted stock units and other equity rights. The 2015 Plan also allows for tax withholding obligations

related to stock option exercises or restricted stock awards to be satisfied through the retention of shares otherwise released upon vesting. The 2015 Plan includes an automatic annual increase mechanism equal to the lower of three percent of the outstanding shares of all classes of Parent's common stock measured on the last day of the immediately preceding fiscal year, 6 million shares, or such other number of shares as determined by Parent's Board of Directors. In fiscal 2015, Parent's Board of Directors voted to reduce the stock incentive plan's automatic increase from 3% to 2%. Under the 2015 Plan, the restricted stock grants and restricted stock units typically vest in equal installments annually over three or four years.

The majority of shares issued are net of the minimum statutory withholding requirements that Parents pays on behalf of our employees. During both fiscal 2019 and 2018, Parent withheld 0.2 million shares to satisfy the employees' tax obligations. Parent pays such withholding requirements in cash to the appropriate taxing authorities. Shares withheld are treated as common stock repurchases for accounting and disclosure purposes and reduce the number of shares outstanding upon vesting.

NOTE 15. SEGMENT AND GEOGRAPHICAL INFORMATION

We determine operating segments based on how our chief operating decision maker ("CODM") manages the business, including making operating decisions, deciding how to allocate resources and evaluating operating performance. Our CODM is our Chief Executive Officer who reviews our operating results on a combined basis. We operate in a single operating segment and a single reportable segment based on the operating results available and evaluated regularly by our CODM to make decisions about resource allocation and assess performance. The following table summarizes the allocation of net revenues based on geography:

	Fiscal Year Ended	
(In thousands)	2019	2018
United States[1]	$ 433,293	$ 397,160
France	138,423	170,468
China	119,010	15,467
Japan	90,837	82,313
Rest of world	416,738	246,905
Total revenues	$ 1,198,301	$ 912,313

1 During fiscal 2019 and 2018, we had sales of $426.5 million and $388.5 million, respectively, to Parent representing the sale of solar modules to Parent at transfer prices determined based on management's assessment of market-based pricing terms.

Revenues are attributed to U.S. and international geographies primarily based on the destination of the shipments.

The following table summarizes the allocation of net property, plant, and equipment based on geography:

	As of	
(In thousands)	December 29, 2019	December 30, 2018
Malaysia	$ 145,246	$ 126,056
Philippines	92,275	104,158
United States	14,824	22,533
Mexico	18,862	21,529
Europe	9,855	11,348
Other	139	116
Property, plant, and equipment, net, by geography	$ 281,200	$ 285,740

Long-lived assets attributed to the U.S. and international geographies are based upon the country in which the asset is located or owned.

NOTE 16. SUBSEQUENT EVENTS

For the combined financial statements as of December 29, 2019 and December 30, 2018 and for each of the two years then ended, the Company had evaluated the effects of subsequent events through May 11, 2020, the date these combined financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a pandemic, which continues to spread globally and has resulted in authorities implementing numerous measures to contain the virus, including travel bans and restrictions, quarantines, shelter-in-place orders and business limitations and shutdowns. While we are unable to accurately predict the full impact over time that the COVID-19 pandemic will have on our operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the duration and severity of the pandemic and containment measures, our compliance with these measures has impacted our business and operations and could disrupt that of our customers, suppliers and other counterparties.

In an effort to protect the health and safety of our employees, we took proactive actions from the earliest signs of the outbreak. As a result, we recorded excess capacity costs of $8.5 million during the three months ended March 29, 2020, the majority of which was attributable to the temporary idling of our manufacturing facilities in France, Malaysia, Mexico, and the Philippines to comply with local government authorities' public health measures, following the outbreak of the COVID-19 pandemic. We will continue to monitor the impact of the pandemic on our business beyond March 2020.

NOTE 17. SUBSEQUENT EVENTS (UNAUDITED)

For purposes of this filing, the Company has evaluated the effects of subsequent events through July 1, 2020.

During the six months ended June 28, 2020, we recorded excess capacity costs of $27.5 million attributable to the temporary idling of our manufacturing facilities in France, Malaysia, Mexico and in the Philippines in response to the outbreak of the COVID-19 pandemic. All manufacturing facilities restarted at various times in May 2020. We will continue to monitor the impact of the pandemic on our business beyond June 2020.

Exhibit 1.1

THE COMPANIES ACT, CHAPTER 50

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

of

Maxeon Solar Technologies, Ltd.

(Adopted by Special Resolution passed on [date])

PRELIMINARY

1. (A) The name of the Company is Maxeon Solar Technologies, Ltd.

(B) The registered office of the Company is situated in Singapore.

(C) Subject to the provisions of the Companies Act (Chapter 50) of Singapore and any other written law and this Constitution, the Company has full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and for the said purposes, full rights, powers and privileges.

(D) The liability of the members is limited.

(E) We, the persons whose names and occupations are set out in this Constitution, desire to form a company in pursuance of this Constitution and we each agree to take the number of shares in the capital of the company set out against our respective names.

Name, Address and Description of Subscriber	**Number of shares taken by the Subscriber**
SUNPOWER CORPORATION, a company incorporated in Delaware, United States of America, Company Registration Number: 3808702, having its principal office at 51 Rio Robles, San Jose, California 95134, United States of America	One (1)

INTERPRETATION

2. In this Constitution (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively.

WORDS	MEANINGS
"Act"	The Companies Act (Chapter 50) of Singapore and any statutory modification, amendment or re-enactment thereof for the time being in force.
"Auditor"	The auditor of the Company
"Board"	The board of Directors
"Chairman"	The chairman of the Directors or the chairman of the general meeting, as the case may be.
"Chief Executive Officer"	The chief executive officer of the Company as determined by Section 4(1) of the Act.
"Company"	Maxeon Solar Technologies, Ltd.
"Constitution"	This Constitution or other regulations of the Company for the time being in force.

"current address"	The number or address used for electronic communication which: (a) has been notified by a member in writing to the Company as one at which any notice or document may be sent to him; and (b) the Company has no reason to believe that that notice or document sent to the Member at that address will not reach him.
"Depository"	Depository Trust Company or its nominee (as the case may be) or such other depository or its nominee (as the case may be) as may be designated and approved by the Directors from time to time.
"Directors"	The directors of the Company for the time being, as a body or as a quorum present at any meeting of the Directors.
"electronic communication"	A communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person): (a) by means of a telecommunication system; or (b) by other means but while in an electronic form, such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.
"member" or "shareholder"	Any registered holder of one or more shares of the Company.
"Office"	The registered office of the Company for the time being.
"paid"	Paid or credited as paid.
"Register of Members"	The Company's register of members, including any branch register.
"registered address" or "address"	In relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
"Regulations"	The regulations of the Company contained in this Constitution for the time being in force.
"Seal"	The Common Seal of the Company.
Secretary"	Any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.
"shares"	Shares in the capital of the Company.
"Shareholders Agreement"	The shareholders agreement entered into between the Company, Total Solar International SAS, a French *société par actions simplifiée*, and **[insert name of TZS Entity]** ("TZS") effective immediately following TZS's investment in the Company, as amended, modified or supplemented from time to time.
"Singapore"	The Republic of Singapore.
"Singapore dollars" or "S$"	The lawful currency of Singapore.
"Statutes"	All laws, by-laws, regulations, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, *provided always* that a waiver granted in connection to any such law shall be treated as due compliance with such relevant law.
"treasury shares"	Shares in the capital of the Company which are purchased or otherwise acquired by the Company in accordance with Sections 76B to 76G of the Act.

"written" and "in writing"	Written or produced by any substitute for writing or partly one and partly the other and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

References in this Constitution to "holder" or "holders" of shares or a class of shares shall except where expressly provided for in this Constitution, exclude the Company in relation to shares held by it as treasury shares, and "holding", "hold" and "held" shall be construed accordingly.

All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations and limited liability partnerships.

Subject as aforesaid any words or expression defined in the Act or the Interpretation Act (Chapter 1) of Singapore shall (if not inconsistent with the subject or context) bear the same meanings in this Constitution.

A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of this Constitution.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of this Constitution.

References in this Constitution to any Statute is a reference to that Statute for the time being amended or re-enacted.

ISSUE OF SHARES

3. (A) Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting pursuant to the Act, but subject thereto, and to Regulation 4, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may, subject to compliance with the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors.

(B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

(C) Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be issued subject to the provisions of the Statutes and this Constitution in respect of allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.

4. (A) The Company may by ordinary resolution in general meeting give to the Directors a general authority either unconditionally or subject to such conditions as may be specified in the ordinary resolution to:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus, or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force.

Provided always that:

(1) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Statutes;

(2) (subject to such manner of calculation as may be prescribed by the Statutes) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the ordinary resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time that the ordinary resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the Statutes) and this Constitution; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution or the date by which such annual general meeting is required to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(B) Except so far as otherwise provided by the conditions of issue or by this Constitution, all the shares shall be subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

(C) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

(D) The Company may issue shares for which no consideration is payable to the Company.

5. The Company may, notwithstanding Regulation 4, but subject to the Statutes, authorise the Directors not to offer new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.

6. Where any shares are issued for the purpose of raising money to defray the expense of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital (except treasury shares) as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act, and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.

7. Any expenses (including brokerage or commission) incurred directly by the Company in relation to the issue of new shares in accordance with these Regulations may be paid out of the proceeds of such issue of new shares or the Company's share capital. Such payment shall not be taken as a reduction of the amount of share capital of the Company.

8. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Statutes. Rights attaching to preference shares with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other shares or other classes of preference shares shall be expressed in this Constitution. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued and the rights conferred upon the holders of preference shares shall not unless otherwise expressly provided by the conditions of issue of such shares be deemed to be altered by the creation or issue of such further preference capital ranking equally with or in priority thereto.

VARIATION OF RIGHTS

9. (A) Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of this Constitution relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him; ***Provided always*** that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. The foregoing provisions of this Regulation shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

(B) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

10. The Company may by ordinary resolution:

(a) consolidate and divide all or any of its shares;

(b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and

(c) subject to the provisions of the Statutes and this Constitution, convert its share capital or any class of shares from one currency to another currency.

11. The Company may by special resolution, subject to the provisions of the Statutes and this Constitution, convert one class of shares into any other class of shares.

12. (A) The Company may by special resolution reduce its share capital or other undistributable reserve in any manner and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

(B) The Company may, subject to and in accordance with the Statutes, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act (including without limitation, to hold such share as a treasury share)

(C) The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by or prescribed pursuant to the Act.

SHARE CERTIFICATES

13. Subject to the provisions of the Statutes, every share certificate shall be issued under the Seal or signed in accordance with the Act and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the amount (if any) unpaid thereon. No single certificate shall be issued representing shares of more than one class.

14. When two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions:

(A) The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors or administrators (or trustees) of the estate of a deceased member.

(B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate thereof and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.

15. Securities will be allotted and the Company will make available a certificate to every person whose name is entered as member in the Register of Members within one month after the final closing date for the applications for subscription of securities or within two months after the date of lodgement of a registrable transfer (other than such transfer as the Company is for any reason entitled to refuse to register and does not register), as the case may be.

Every person whose name is entered as member in the Register of Members shall be entitled to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred, upon payment of S$2.00 (or such lesser sums as the Directors shall from time to time determine having regard to any limitation thereof as may be prescribed by the Statutes) for every certificate.

16. (A) Where a member transfers part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of subdivision) issued in lieu thereof and the member shall pay (in the case of subdivision) a maximum fee of S$2.00 (or such lesser sum as the Directors shall from time to time determine having regard to any limitation thereof as may be prescribed by the Statutes) for each new certificate.

Where only some of the shares comprised in a share certificate are transferred the new certificate for the balance of such shares shall be issued in lieu without charge.

(B) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(C) In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders.

17. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S$2.00 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

CALLS ON SHARES

18. The Directors may, subject to these Regulations, make calls upon the members in respect of any moneys unpaid on their shares or any class of their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

19. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

20. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to recover payment of or in consequences of non-payment of such call or instalment, but the Directors may waive payment of such interest, cost, charges or expenses, wholly or in part.

21. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture, or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

22. The Directors may, on issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

23. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys due upon his shares beyond the sums actually called up thereon, and upon the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called upon the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. Capital paid on shares in advance of calls shall not while carrying interest confer a right to participate in profits.

24. No member shall be entitled to receive any dividend or to exercise any right or privilege as a member until the member shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses, if any.

FORFEITURE AND LIEN

25. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

26. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

28. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

29. When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the shares or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

30. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.

31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares. Such forfeiture or surrender of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Statutes given or imposed in the case of past members.

32. Notwithstanding the forfeiture or surrender, a member whose shares have been forfeited or surrendered shall remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at ten per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.

33. The Company shall have a first and paramount lien on each share (not being a fully-paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Regulation.

34. The Directors may sell the shares subject to any such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on such member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for seven days after such notice.

35. The net proceeds of such sale after payment of the costs of sale under Regulation 25 or Regulation 34 shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.

36. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share. Such person shall not be bound to see to the application of the purchase moneys (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

37. The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

38. No member shall be entitled to receive any dividend or to exercise any privileges as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

39. In the event of a forfeiture of shares or a sale of shares to satisfy the Company’s lien thereon the member or other person who prior to such forfeiture or sale was entitled thereto shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold.

TRANSFER OF SHARES

40. Subject to this Constitution and applicable laws, any member may transfer all or any of the member's shares by an instrument in writing in any usual or common form or any other form which the Directors may approve. Unless otherwise determined by the Directors, the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and be witnessed, *provided always* that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.

41. The transferor shall remain the holder of the shares and member of the Company concerned, until the name of the transferee is duly entered in the Register of Members maintained by the Company whereupon the said transferee shall become a member and, subject to the Constitution and the Statutes, enjoy all rights and privileges as a member of the Company.

42. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.

43. The Registers of Members and of Transfers may be closed at such times and for such period as the Directors may from time to time determine, *provided always* that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure as may be required to the Statutes, stating the period and purpose or purposes for which the closure is made.

44. (A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law and/or contract) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve, *Provided always* that in the event of the Directors refusing to register a transfer of shares, they shall within 30 days after the date on which the transfer was lodged with the Company, serve a notice in writing to the transferor and the transferee stating the precise reasons which are considered to justify the refusal.

(B) The Directors may in their sole discretion decline to register any instrument of transfer unless:

(a) such fee not exceeding S$2.00 as the Directors may from time to time require is paid to the Company in respect thereof;

(b) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;

(c) the instrument of transfer is in respect of only one class of shares; and

(d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is paid.

45. All instruments of transfer which are registered may be retained by the Company.

46. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, *provided always* that:

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Regulation; and

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

47. (A) In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(B) Nothing in this Regulation shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

48. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. All the limitations, restrictions and provisions of the Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

49. Save as otherwise provided by or in accordance with the Constitution, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members in respect of the share.

50. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S$2.00 as the Directors may from time to time require or prescribe.

NO TRUSTS RECOGNIZED

51. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

STOCK

52. The Company may from time to time by ordinary resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.

53. The holders of stock may transfer the same or any part thereof in the same manner subject to the same Regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.

54. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

55. All such provisions of this Constitution as are applicable to paid-up shares shall apply to stock, and in all such provisions, the words “share” and “shareholder” shall include “stock” and “stockholder”.

GENERAL MEETINGS

56. Subject to the Statutes, an annual general meeting shall be held once in every year, at such time and place as may be determined by the Directors. All other general meetings shall be called extraordinary general meetings. All general meetings may be held in Singapore or such other jurisdictions as the Directors may deem fit.

57. The Directors may whenever they think fit, and shall, on requisition in accordance with the Statutes, proceed with proper expedition to convene an extraordinary general meeting. If at any time there are not sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

58. An annual general meeting, and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and any other extraordinary general meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company, provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

    (a) in the case of an annual general meeting by all the members entitled to attend and vote thereat; and

    (b) in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety five per cent, of the total voting rights of all the members having a right to vote at that meeting.

    Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meeting.

59. (A) Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.

    (B) In the case of an annual general meeting, the notice shall also specify the meeting as such.

    (C) In the case of any general meeting at which business other than routine business ("special business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

60. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:

    (a) declaring dividends;

    (b) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;

    (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

    (d) appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in general meeting); and

    (e) approving the Directors' fee or Auditors' remuneration or determining the manner in which such fee or remuneration is to be fixed.

PROCEEDINGS AT GENERAL MEETINGS

61. The Chairman of the Board of Directors, and in his absence the deputy chairman of the Board of Directors (if any) shall preside at every general meeting, but if such officers have not been appointed or if neither of them be present at a meeting within fifteen minutes after the time appointed for holding the same, the Directors present, or in default the members present, shall choose a Director to be Chairman of the meeting, or, if no Director be present or if all the Directors present decline to take the chair, they shall choose a member present to be Chairman of the meeting.

62. No business other than the appointment of a Chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any general meeting shall be two members present in person. For the purposes of this Regulation "member" includes a person attending as a proxy or as representing a corporation which is a member.

Provided that:

(a) one person attending both as a member and as a proxy or corporate representative shall not constitute a quorum;

(b) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum;

(c) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum; and

(d) for the purposes of a quorum joint holders of any share shall be treated as one member.

63. If within half an hour from the time appointed for a general meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may determine.

64. The Chairman of any general meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die)* and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

65. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

66. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling, in the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

67. (A) If required by the Statutes, all resolutions at general meetings shall be voted by poll (unless such requirement is waived).

(B) Subject to Regulation 67(A) , at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(a) the Chairman of the meeting;

(b) not less than two members present in person or by proxy and entitled to vote;

(c) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies or any number or combination of such members or proxies, holding or representing as the case may be not less than five per cent of the total voting rights of all the members having the right to vote at the meeting; or

(d) any member present in person or by proxy, or where such a member has appointed two proxies any one of such proxies, or any proxy, or any number or combination of such members or proxies, holding or representing as the case may be not less than five per cent of the total number of paid-up shares of the Company (excluding treasury shares),

provided always that no poll shall be demanded on the choice of a Chairman or on a question of adjournment. A demand for a poll may be withdrawn only with approval of the meeting.

68. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or earned unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman of the meeting may (and, if required by the Statutes or if so directed by the meeting, shall) appoint at least one scrutineer, who shall be independent, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

69. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

70. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

71. (A) Subject to any rights or restrictions for the time being attached to any class or classes of shares and to Regulation 12(C), at meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or by attorney. Every person present who is a member or a representative of a member shall:

(a) on a poll, have one vote for every share which he holds or represents (excluding treasury shares) and upon which all calls or other sums due thereon to the Company have been paid; and

(b) on a show of hands, have one vote.

(B) A member entitled to more than one vote need not use all his votes or cast all the votes used in the same way.

(C) For the purpose of determining the number of votes which a member or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that member be the number of shares entered against his name in the Register of Members as at seventy-two hours before the time of the relevant general meeting.

(D) Any member who shall have become bankrupt or insolvent or (being a company) gone into voluntary or compulsory liquidation (except for the purpose of reconstruction or sale to any other company) shall not while the bankruptcy or insolvency continues, be entitled to exercise the right of a member to attend, vote, or act at any meeting of the Company.

72. Only such of the members whose names appear on the Register of Members seventy-two hours before the time of the relevant general meeting shall be entitled to attend and speak and vote at such general meeting. This Regulation is without prejudice to any other rights or obligations that the member is entitled or subject to as a member of the Company.

Subject to the Statutes, this Regulation shall not be taken as extending any rights to any person (or corporation) whose name has already been removed from the Register of Members on the date of the relevant general meeting.

73. In the case of joint holders or joint members in respect of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

74. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

75. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

76. (A) No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

(B) If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.

77. (A) Save as otherwise provided in the Act:

(a) a member who is not a relevant intermediary (as defined in the Act) shall not be entitled to appoint more than two proxies to attend, speak and vote at the same general meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to deem the appointment to be in the alternative; and

(b) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(C) A proxy need not be a member.

78. (A) An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:

(a) in the case of an individual member shall be:

(i) signed by the appointer or his attorney if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a member which is a corporation shall be:

(i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

(B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member or a Depositor by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument of proxy may be treated as invalid.

(C) The Directors may, in their absolute discretion:

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulations 78(A)(a)(ii) and 78(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), Regulation 78(A)(a)(ii) or Regulation 78(A)(b)(ii)(as the case may be) shall apply.

79. (A) An instrument appointing a proxy or the power of attorney or other authority, if any:

(a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the general meeting; or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the general meeting,

and in either case not less than seventy two hours before the time appointed for the holding of the general meeting or adjourned general meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.

(B) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communication, as contemplated in Regulation 78(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), Regulation 78(A)(a) shall apply.

(C) The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

80. The Company shall be entitled to reject any proxy form lodged by a member whose name does not appear on the Register of Members as at seventy two hours before the time of the general meeting at which the proxy is to act.

81. An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and the right to speak at the meeting.

82. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

83. Subject to this Constitution and the Act, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote *in absentia*, including but not limited to voting by mail, electronic mail or facsimile.

CORPORATIONS ACTING BY REPRESENTATIVES

84. Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of this Constitution be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

85. Subject to these Regulations, the Directors, all of whom shall be natural persons, shall not be less than two nor more than ten in number. The Company may by ordinary resolution from time to time vary the maximum number of Directors.

86. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at general meetings.

87. The fee of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall be deemed to accrue from day to day, such fee shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for a proportion of fee related to the period during which he has held office. The fee of the Directors shall be payable by a fixed sum and not by a commission on or percentage of profits or turnover.

88. Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, other than by a commission on or percentage of turnover.

89. The Directors may repay to any Director all such travelling hotel and other expenses as he may reasonably incur in the execution of his duties including any expenses incurred in connection with attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise in or about the business of the Company.

90. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

91. (A) A Director and Chief Executive Officer (or person(s) holding an equivalent position) may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefore and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

(B) Every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officer (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be.

(C) A Director and Chief Executive Officer (or person(s) holding an equivalent position), shall not vote in respect of any contract or proposed contract or arrangement with the Company in which he has directly or indirectly a personal material interest and if he shall do so his vote shall not be counted nor, save as provided by Regulation 78(A), shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to:-

(a) any arrangement for giving any Director or Chief Executive Officer (or person(s) holding an equivalent position) any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

(b) any arrangement for the giving by the Company of any security to a third party in respect of a debtor obligation of the Company for which the Director or Chief Executive Officer (or person(s) holding an equivalent position) himself has assumed responsibility in whole or in part under a guarantee or indemnity of by the deposit of security; or

(c) any contract by a Director or Chief Executive Officer (or person(s) holding an equivalent position) to subscribe for or underwrite shares or debentures of the Company,

Provided that these prohibitions may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract arrangement or transaction or any particular proposed contract arrangement or transaction by the Company by ordinary resolution.

(D) Subject to the Statutes, a general notice that a Director or a Chief Executive Officer (or person(s) holding an equivalent position) is an officer or member of any specified firm or corporation and is to be regarded as interested in all transaction with that firm or company shall be deemed to be a sufficient disclosure under this Regulation 91 as regards such Director or Chief Executive Officer (or person(s) holding an equivalent position), as the case may be, and the said transactions if it specifies the nature and extent of his interest in the specified firm or corporation and his interest is no different in nature or greater in extent than the nature and extent so specified in the general notice at the time any transaction is so made, but no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director or Chief Executive Officer (or person(s) holding an equivalent position), as the case may be, takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

92. (A) The Directors may from time to time appoint one or more of their body to be the holder of any executive office under the Company or under any other company in which the Company is in any way interested (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

(B) The appointment of any Director to the office of Chairman or Deputy Chairman or Chief Executive Officer (or person(s) holding an equivalent position) shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

93. The Directors may entrust to and confer upon any Directors holding any executive office under the Company or any other company as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

APPOINTMENT AND REMOVAL OF DIRECTORS

94. The Company may by ordinary resolution appoint any person to be a Director either as an additional Director or to fill a casual vacancy. Without prejudice thereto the Directors shall also have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number fixed by or in accordance with this Constitution. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for re-election.

95. The office of a Director shall be vacated in any of the following events, namely where such Director:

(a) ceases to be a Director by virtue of the Act;

(b) becomes bankrupt or makes any arrangement or composition with his creditors generally;

(c) becomes disqualified from acting as a Director in any jurisdiction for reasons other than on technical grounds (in which event he must immediately resign from the Board);

(d) becomes prohibited or disqualified by the Statutes or any other law from acting as a Director;

(e) becomes mentally disordered and incapable of managing himself or his affairs;

(f) resigns from his office by notice in writing to the Company;

(g) for more than six months is absent without permission of the Directors from meetings of the Directors held during that period; or

(h) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in manner required by the Act.

96. The Company may in accordance with and subject to the provisions of the Statutes by ordinary resolution of which special notice has been given remove any Director from office (notwithstanding any provision of this Constitution or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office. and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

ALTERNATE DIRECTORS

97. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (other than another Director or a person who has already been appointed alternate for another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by a majority of the Directors, shall have effect only upon and subject to being so approved. A person shall not act as alternate Director to more than one Director at the same time.

(B) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director concerned (below called "his principal") ceases to be a Director. An alternate Director shall not be required to hold any share qualification.

(C) An alternate Director shall be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which his principal is not personally present and generally at such meeting to perform all functions of his principal as a Director and for the purposes of the proceedings at such meeting the provisions of this Constitution shall apply as if he (instead of his principal) were a Director. If his principal is for the time being absent or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his principal. To such extent as the Directors may from time to time determine in relation to any committees of the Directors, the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his principal is a member. An alternate Director shall not (save as aforesaid) have any power to act as a Director nor shall he be deemed to be a Director for any other purpose of this Constitution.

(D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.

MEETINGS AND PROCEEDINGS OF DIRECTORS

98. Subject to the provisions of this Constitution the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent. Any Director may waive notice of any meeting and any such waiver may be retroactive.

99. Directors may participate in a meeting of Directors by means of a conference telephone, video conference, audio-visual or similar communications equipment by means of which all persons participating in the meeting can hear one another without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being requisite quorum in accordance with Regulation 100, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone, video conference, audio-visual or similar communications equipment as aforesaid is deemed to be held at the place where the Chairman of the meeting is participating in the meeting or otherwise agreed upon by the Directors attending the meeting, provided that at least one of the Directors present at the meeting was at that place for the duration of the meeting.

100. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be a majority of the Directors then in office. A meeting of the Directors at which a quorum is present shall be competent of exercise all powers and discretions for the time being exercisable by the Directors.

101. Questions arising at any meeting of the Directors shall be determined by a majority of votes present at the meeting and competent to vote. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue) the Chairman of the meeting shall have a second or casting vote.

102. A Director who is directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of their interest in accordance with the Statutes. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

103. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with the Constitution, the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning general meetings, but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

104. (A) The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.

(B) If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

105. A resolution in writing, signed by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors. The expressions “in writing” and “signed” include approval by any such Director by telefax or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

106. The Directors may delegate any of their powers or discretion to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.

107. The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Regulation.

108. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

109. The Directors shall cause proper minutes to be made of all general meetings of the Company and also of all appointments of officers, and of the proceedings of all meetings of Directors and committees and of the attendances thereat, and of all business transacted at such meeting; and any such minute of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.

110. Any register, index, minute book, accounting record, minute or other book required by this Constitution or by the Act to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and facilitating the discovery of any falsifications.

BORROWING POWERS

111. Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party or otherwise as they may think fit.

GENERAL POWERS OF DIRECTORS

112. The business and affairs of the Company shall be managed by, or under the direction or the supervision of, the Directors, who may exercise all such powers of the Company as are not by the Statutes or by this Constitution, required to be exercised by the Company in general meeting. The general powers given by this Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation.

113. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in general meeting.

114. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local board, or any manager or agents, and fix their remuneration. The Directors may further delegate to any legal board, manager or agent any of the powers, authorities and discretions vested in the Directors, with powers to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

115. The Directors may from time to time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

116. The Directors shall duly comply with the provisions of the Act, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the Register of Members, keeping a register of Directors and entering all necessary particulars therein, and sending a copy thereof or a notification of any changes therein to the Registrar of Companies, and sending to such Registrar an annual return, together with the certificates and the particulars required by the Act, notices as to increase of capital, returns of allotments and contracts relating thereto, copies of resolutions and agreements, and other particulars connected with the above.

117. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

SECRETARY

118. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Assistant Secretaries. The appointment and duties of the Secretary or Joint Secretaries shall not conflict with the provisions of the Act.

THE SEAL

119. (A) Where the Company has a Seal, the Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

(B) The general powers given by this Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation.

120. Subject to the provisions of the Statutes, every instrument to which the Seal shall be affixed shall be signed autographically or by facsimile by one Director and the Secretary or by two Directors or some other person appointed by the Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method of mechanical electronic signature or other method approved by the Directors.

121. (A) Where the Company has a Seal, the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

(B) Where the Company has a Seal, the Company may exercise the powers conferred by the Statutes with regard to having a duplicate Seal as referred to in Section 124 of the Act which shall be a facsimile of the Seal with the addition on its face of the words “Share Seal”.

AUTHENTICATION OF DOCUMENTS

122. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of the meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this Regulation may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

RESERVES

123. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

DIVIDENDS

124. The Company may by ordinary resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.

125. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

126. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, and except as otherwise permitted under the Act, all dividends shall be paid in proportion to the number of shares held by a member but as regards any shares not fully paid throughout the period in respect of which the dividend is paid all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Regulation no amount paid on a share in advance of calls shall be treated as paid on the share.

127. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

128. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

129. (A) The Directors may retain the dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

130. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

131. The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, fix the value for distribution of such specific assets or any part thereof, determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

132. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may be writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

133. If two or more persons are registered in the Register of Members as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

134. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

135. The payment by the Directors of any unclaimed dividends or other moneys payable or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on and in respect of share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.

136. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

137. (A) The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Regulation 4(A):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an ordinary resolution passed pursuant to Regulation 4(A) such other date as may be determined by the Directors, in proportion to their then holdings of shares; and/or

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of shares on the Register of Members or at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an ordinary resolution passed pursuant to Regulation 4(A) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued) unissued shares of any other class not being redeemable shares, for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Regulation 137(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(C) In addition and without prejudice to Regulations 137(A) and 137(B), the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit.

FINANCIAL STATEMENTS

138. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit. No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

139. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in general meeting such financial statements, consolidated financial statements (if any) and reports as may be necessary. Whenever so required, the interval between the close of a financial year of the Company and the date of the Company's annual general meeting shall not exceed six months (or such period as may be permitted by the Statutes).

140. A copy of financial statement which is to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than fourteen days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of this Constitution, Provided that:

(a) these documents may, subject to the Statutes be sent less than fourteen days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree; and

(b) this Regulation shall not require a copy of these documents to be sent to more than one or any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDITORS

141. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

142. An Auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

143. The appointment and duties of such Auditor or Auditors shall be in accordance with the provisions of the Act, or any other Statute which may be in force in relation to such matters. Every Auditor of the Company shall have a right to access at all times to the accounting and other records of the Company and shall make his report as required by the Act.

NOTICES

144. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed or by telex or facsimile transmission address to such member at his address entered in the Register of Members or supplied by him to the Company as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted at the same time the same would have reached the member in the normal course if sent by telex or facsimile transmission.

145. Without prejudice to the provisions of this Constitution, but subject otherwise to any applicable laws to electronic communication, any notice or document (including, without limitations, any financial statements, balance sheet or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a member or officer or Auditor of the Company may be given, sent or served using electronic communication:

    (a) to the current email address of that person;

    (b) by making it available on a website prescribed by the Company from time to time;

    (c) sending of data storage devices, including, without limitation, CD-ROMs and USB drives to the current address of that person; or

    (d) in such manner as such member expressly consents to by giving notice in writing to the Company, in accordance with the provisions of, or as otherwise provided by this Constitution and any other applicable laws to electronic communication. Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Statutes and/or any other applicable regulations or procedures.

146. For the purposes of Regulation 145 above, where there is express consent from a member, the Company may send notices or documents, including circulars and annual reports, by way of electronic communication.

147. For the purposes of Regulation 145, a member shall be implied to have agreed to receive such notices or documents, including circulars and annual reports, by way of such electronic communication otherwise provided under applicable laws.

148. Notwithstanding Regulation 147, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document, including circulars and annual reports, by way of electronic communication or as a physical copy, and such a member shall be deemed to have consented to receive such notice or document by way of electronic communication, as set out in Regulation 145, if he was given such an opportunity and he failed to make an election within the specified time. Such member shall not in such an event have a right to receive a physical copy of such notice or document, unless otherwise provided under applicable laws.

149. When a given number of days' notice or notice extended over any other period is required to be given the day of service shall, unless it is otherwise provided or required by these Regulations or by the Act, be not counted in such number of days or period.

150. Where the Company uses website publication as the form of electronic communication, the Company shall separately provide a physical notification to members to notify them of the following:

(a) the publication of the notice or document on that website;

(b) if the document is not available on the website on the date of notification, the date on which it will be available;

(c) the address of the website;

(d) the place on the website where the document may be accessed; and

(e) how to access the document.

151. Notwithstanding the above, in respect of notices or documents to be issued by the Company to members whose registered address is outside Singapore, and where such notices or documents are required by the laws of such jurisdictions in which the members' registered address is situated, to be lodged or registered with any competent government of statutory authority of such jurisdictions, all such members shall provide an address in Singapore for service of such notices and documents by the Company. Any such member who has not supplied an address within Singapore for the service of such notices and documents shall not be entitled to receive any such notices or documents from the Company.

152. Where a notice or document is sent by electronic communication, the Company shall inform the member as soon as practicable of how to request a physical copy of that notice or document from the Company. The Company shall separately provide a physical copy of that notice or document upon such request.

153. Regulations 149, 150, 151, and 152 shall not apply to such notices or documents which are excluded from being given, sent or served by electronic communication or means pursuant to applicable laws and any regulations relating to electronic communication, including but not limited to:

(a) forms or acceptance letters that members may be required to complete;

(b) notices of meetings, excluding circulars or letters referred to in that notice;

(c) notices and documents relating to takeover offers and rights issues; and

(d) notices to be given to members pursuant to relevant regulations.

154. Where a notice or document is given, sent or served to a member by making it available on a website pursuant to Regulation 145, the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:

(a) by sending such separate notice to the member personally or through the post pursuant to Regulation 145; and/or

(b) by sending such separate notice to the member using electronic communication to his current address pursuant to Regulation 145.

155. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such.

156. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member or given, sent or served to any member using electronic communication in pursuance of this Constitution shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member in the Register of Members as sole or first-named joint holder.

157. A member who (having no registered address within Singapore) has not supplied to the Company an address within Singapore for the service of notices shall not be entitled to receive notices from the Company that are required to be delivered to a physical address.

WINDING UP

158. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

159. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a special resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the Liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect any shares or other property in respect of which there is a liability.

160. On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the members in general meeting. The amount of such commission or fee shall be notified to all members no less than seven days prior to the meeting at which it is to be considered.

161. In the event of a winding up of the Company every member of the Company who is not for the time being in the Republic of Singapore shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in the Republic of Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company may on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register of Members and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

INDEMNITY

162. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Chief Executive Officer, Auditor, Secretary, and other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto, including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company, and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any Statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects, shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, willful default, breach of duty or breach of trust.

163. The Company must not indemnify any person in respect of any costs, charges, losses, expenses and liabilities, or pay any premium for a contract, if and to the extent that the Company is prohibited by law from doing so.

INSURANCE

164. Subject to the Statutes and Regulation 163, to the maximum extent permitted by law, the Company may pay, or agree to pay, a premium for a contract insuring a person who is Director, Auditor, Secretary or other officer of the Company, including a person who is, at the request of the Company, a director or secretary of another company, or a director, secretary or other officer of a subsidiary of the Company, against costs, charges, losses, expenses and liabilities incurred by the person in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company.

SECRECY

165. No member shall be entitled to require the Company to disclose any information relating to any trade, business, product or process which is secret in nature which may relate to the conduct of the business of the Company and which the Directors determine to be inexpedient and inadvisable to communicate in the best interest of the members save as may be authorised by law.

PERSONAL DATA

166. (A) A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

(a) implementation and administration of any corporate action by the Company (or its agents or service providers);

(b) internal analysis and/or market research by the Company (or its agents or service providers);

(c) investor relations communications by the Company (or its agents or service providers);

(d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;

(e) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other member communications and/or for proxy appointment, whether by electronic means or otherwise;

(f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any general meeting (including any adjournment thereof);

(g) implementation and administration of, and compliance with, any Regulation of this Constitution;

(h) compliance with any applicable laws, take-over rules, regulations and/or guidelines; and

(i) purposes which are reasonably related to any of the above purpose.

(B) Any member who appoints a proxy and/or representative for any general meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in the relevant Regulations, and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

SHAREHOLDERS AGREEMENT

167. For as long as the Shareholders Agreement is in effect with respect to a member ("Relevant Member"), the Company and each Relevant Member undertakes vis-à-vis each other Relevant Member and vis-à-vis the Company (as applicable) to exercise its rights and perform its obligations as the Company or a Relevant Member (as applicable) under the law and/or these Regulations in such way that the provisions of the Shareholders Agreement are being observed and complied with, to the fullest extent permitted by law.


maxeon
MAXEON SOLAR TECHNOLOGIES, LTD.
INCORPORATED IN THE REPUBLIC OF SINGAPORE UNDER THE COMPANIES ACT, CHAPTER 50
(Company Registration No. 201934268H)
COMPUTERSHARE TRUST COMPANY, N.A., 250 ROYALL STREET, CANTON, MA 02021
ORDINARY SHARES
THIS CERTIFICATE IS TRANSFERABLE IN CITIES DESIGNATED BY THE TRANSFER AGENT, AVAILABLE ONLINE AT www.computershare.com
CUSIP Y58473 10 2
SEE REVERSE FOR CERTAIN DEFINITIONS
THIS CERTIFIES that
SPECIMEN
IS THE REGISTERED HOLDER OF
FULLY PAID, NON-ASSESSABLE ORDINARY SHARES, NO PAR VALUE PER SHARE, OF
MAXEON SOLAR TECHNOLOGIES, LTD.
and the amount paid on the shares is recorded in the return(s) of allotment lodged pursuant to Section 63 of the Companies Act, Cap. 50, subject to the Constitution of the Corporation and transferable on the Branch Register of Members of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this Certificate and the form of share transfer on this reverse side properly endorsed. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.
GIVEN UNDER the official seal of the Corporation for use in the United States of America and the facsimile signatures of its duly authorized officers.
Dated:
EMBOSSED SEAL
Maxeon Solar Technologies, Ltd.
OFFICIAL SEAL
For Use in the United States of America
DIRECTOR
DIRECTOR
COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR
BY:
AUTHORIZED SIGNATURE

MAXEON SOLAR TECHNOLOGIES, LTD.

THE CORPORATION WILL FURNISH TO ANY SHAREHOLDER UPON REQUEST AND SUBJECT TO A PAYMENT OF $5 OR SUCH LESSER SUM AS MAY BE FIXED BY THE DIRECTORS OF THE CORPORATION, A COPY OF THE CORPORATION'S CONSTITUTION.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common

UNIF GIT MIN ACT– _____ (Cust) Custodian _____ (Minor) under Uniform Gifts to Minors Act _____ (State)

UNIF TRF MIN ACT– _____ (Cust) Custodian (until age _____) _____ (Minor) under Uniform Transfers to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

In consideration of the sum of $_____, for value received, _____ ("Transferor")

hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF TRANSFEREE)

_____ ("Transferee")

fully paid, non-assessable _____ Ordinary Shares of Maxeon Solar Technologies, Ltd. represented by the within Certificate, does hold unto the said Transferee, its Executors, Administrators, and Assign, subject to several conditions on which the Transferor held the same immediately before the execution hereof; and the said Transferee, does hereby agree to accept the said _____ Ordinary Shares, subject to the conditions aforesaid and does hereby irrevocably constitute and appoint

_____ Attorney

to transfer and register the said shares on the Branch Register of Members of the within named Corporation maintained by Computershare Trust Company, N.A. in Massachusetts, the United States of America.

Dated: _____

As Witness our Hands this _____ day of _____ in the year of our Lord Two Thousand _____ .

Signed, sealed and delivered by the above named

Transferor _____

in the presence of

_____ (Signature)

Address _____

Occupation _____

If the Transferor is a corporation

Signed, sealed and delivered by _____

For and on behalf of

Transferor _____

Name: _____

Designation: _____

In the presence of

_____ (Signature)

Address _____

Occupation _____

Signed, sealed and delivered by the above named

Transferee _____

in the presence of

_____ (Signature)

Address _____

Occupation _____

If the Transferee is a corporation

Signed, sealed and delivered by _____

For and on behalf of

Transferee _____

Name: _____

Designation: _____

In the presence of

_____ (Signature)

Address _____

Occupation _____

NOTICE: THE SIGNATURE(S) TO THIS TRANSFER INSTRUMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By _____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

FORM

OF

REGISTRATION RIGHTS AGREEMENT

[•], 2020

Table of Contents

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**") is dated as of [•], 2020 by and among Maxeon Solar Technologies, Ltd., a Singapore public limited company (the "**Company**"), Total Solar INTL SAS, a French *société par actions simplifiée* ("**Total**"), [*Insert Name of TZS Entity*], a [•] ("**TZS**"), and any other Person that becomes a party hereto by executing and delivering a joinder agreement in accordance with this Agreement.

RECITALS

WHEREAS, the Company is a newly formed company with ordinary shares (the "**Ordinary Shares**"), listed or to be listed on the NASDAQ Stock Market, including the NASDAQ Global Select Market or, as applicable, such other NASDAQ market, pursuant to that certain Separation and Distribution Agreement, dated November 8, 2019, by and between the Company and SunPower Corporation, a Delaware corporation ("**SunPower**");

WHEREAS, immediately prior to the execution of this Agreement, SunPower distributed all outstanding Ordinary Shares owned by SunPower (the "**Distribution**") to its stockholders;

WHEREAS, immediately following the completion of the Distribution, the Company issued and sold to TZS, and TZS acquired and purchased from the Company, newly-issued Ordinary Shares (the "**Issuance**") pursuant to that certain Investment Agreement, dated November 8, 2019 (the "**Investment Agreement**"), by and among SunPower, the Company, Tianjin Zhonghuan Semiconductor Co., Ltd. ("**TZS Co**") and Total (solely for purposes of Sections 5.2, 6.1, 6.3, 6.4, 6.6, 6.8, 6.9(d), 6.10, 8.2(a) and Article IX thereof);

WHEREAS, as a condition to the Closing (as defined below), the Company, Total and TZS have executed and delivered this Agreement prior to the Closing;

WHEREAS, (i) Total became a direct holder of Ordinary Shares as a result of the Distribution, which was effected immediately prior to execution of this Agreement and the Closing, and (ii) TZS (as TZS Co's designee) will become a direct holder of Ordinary Shares as a result of the Closing;

WHEREAS, concurrently with the execution of this Agreement, the Company, Total and TZS are entering into a shareholders agreement, dated as of the date hereof (the "**Shareholders Agreement**"); and

WHEREAS, in connection with the Distribution and the Closing, the Company, Total and TZS (i) wish to set forth certain rights and obligations of the Company and the Holders with respect to the Ordinary Shares, (ii) have executed and delivered this Agreement prior to the Closing, and (iii) wish for this Agreement to become automatically effective immediately after the Closing (the "**Effective Time**").

NOW, THEREFORE, in consideration of the covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "**Adverse Disclosure**" means public disclosure of material non-public information that, in the reasonable good faith judgment of the Independent Directors serving on the Board, after consultation with independent outside counsel to the Company, (i) would be required to be made in any registration statement filed with the Commission by the Company so that such registration statement would not be materially misleading; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such registration statement; and (iii) would have a material adverse effect on (A) the Company or its business or (B) the Company's ability to effect a proposed acquisition, disposition, financing, reorganization, recapitalization or other transaction involving the Company.

(b) "**Affiliate**" means, as to any Person, any other Person or entity who directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

(c) "**Agreement**" shall have the meaning set forth in the Preamble.

(d) "**automatic shelf registration statement**" shall have the meaning set forth in Section 2.6(b).

(e) "**Board**" means the board of directors of the Company.

(f) "**Business Day**" means each day other than a Saturday, Sunday or any other day when commercial banks in (i) New York, New York, (ii) Paris, France, (iii) Beijing, People's Republic of China or (iv) Singapore are authorized or required by law to close.

(g) "**Closing**" means the closing of the issuance of Ordinary Shares to TZS pursuant to and in accordance with the Investment Agreement.

(h) "**Commission**" means the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(i) "**Company**" shall have the meaning set forth in the Preamble and includes the Company's successors by merger, acquisition, reorganization or otherwise.

(j) "**Distribution**" shall have the meaning set forth in the Recitals.

(k) **"Effective Date**" means the date on which Closing occurred under the Investment Agreement.

(l) "**Effective Time**" shall have the meaning set forth in the Recitals.

(m) "**Electronic Delivery**" shall have the meaning set forth in Section 3.8.

(n) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(o) "**Holder**" or "**Holders**" means Total, TZS and any other Person (other than the Company) that becomes a party hereto by executing and delivering a joinder agreement in accordance with this Agreement. A Person shall cease to be a Holder hereunder at such time as it ceases to hold any Registrable Securities.

(p) "**Inapplicable Registration**" shall have the meaning set forth in Section 2.4(a).

(q) "**Indemnified Party**" shall have the meaning set forth in Section 2.8(c).

(r) "**Indemnifying Party**" shall have the meaning set forth in Section 2.8(c).

(s) "**Independent Director**" means a director of the Company that satisfies both (i) any requirements to qualify as an "independent director" under the rules of any stock exchange or stock market on which the Ordinary Shares are then currently listed and (ii) the independence criteria set forth in Rule 10A-3 under the Exchange Act, for so long as such rule is applicable to the Company.

(t) "**Investment Agreement**" shall have the meaning set forth in the Recitals.

(u) "**Issuance**" shall have the meaning set forth in the Recitals.

(v) "**Ordinary Shares**" shall have the meaning set forth in the Recitals.

(w) "**Person**" means any natural person, company, partnership, limited liability company, firm, association, trust, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

(x) "**Prospectus**" means the prospectus included in any registration statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), all amendments and supplements to such prospectus, including pre- and post-effective amendments to such registration statement, and all other material incorporated by reference or deemed to be incorporated by reference in such prospectus.

(y) "**Registrable Securities**" means (i) as of the date hereof, all Ordinary Shares distributed or issued in connection with the Distribution or the Issuance to any Holder, and (ii) any additional Ordinary Shares that may be paid, issued or distributed in respect of any

such shares by way of conversion, dividend, share split or other distribution, or in connection with a combination of shares, and any security into which Ordinary Shares shall have been converted or exchanged in connection with a merger, consolidation, exchange, recapitalization, reclassification or similar transaction; *provided*, *however*, that as to any Registrable Securities, such securities shall cease to constitute Registrable Securities upon the earliest to occur of: (i) the date on which such securities are disposed of pursuant to an effective registration statement; (ii) the date on which such securities are disposed of pursuant to Rule 144 (or any similar provision then in effect) promulgated under the Securities Act; (iii) the date on which such securities may be sold pursuant to Rule 144 (or any similar provision then in effect) promulgated under the Securities Act and without any limitation as to volume or manner of sale restrictions; (iv) the date on which such securities have been sold in a private transaction in which the transferor's rights pursuant to this Agreement are not validly transferred or assigned in accordance with this Agreement; and (v) the date on which such Registrable Securities cease to be outstanding.

(z) The terms "**register**," "**registered**" and "**registration**" shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

(aa) "**Registration Expenses**" means all expenses incurred in effecting any registration pursuant to this Agreement, including all registration, qualification and filing fees; printing, duplication, messenger and delivery expenses; escrow fees; fees and disbursements of counsel for the Company and one independent counsel for each of the Holders (not to exceed $50,000, or $100,000 in the case of an underwritten offering); all fees, expenses and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and "cold comfort" letters required by or incident to such performance); all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system; blue sky fees and expenses; all fees and expenses of underwriters customarily paid by the issuers or sellers of securities and all fees and expenses of any special experts or other persons retained by the Company in connection with any registration; and all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), but shall not include Selling Expenses.

(bb) "**Requested Registration**" shall have the meaning set forth in Section 2.2(a)(i).

(cc) "**Requested Registration Statement**" shall have the meaning set forth in Section 2.2(a)(ii).

(dd) "**Rule 144**" means Rule 144 as promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

(ee) "**Rule 145**" means Rule 145 as promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

(ff) "**Rule 415**" means Rule 415 as promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

(gg) "**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(hh) "**Selling Expenses**" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities.

(ii) "**Shareholders Agreement**" shall have the meaning set forth in the Recitals.

(jj) "**Shelf Registration Statement**" means a registration statement of the Company filed with the Commission in accordance with the Securities Act for an offering to be made on a continuous or delayed basis pursuant to Rule 415 covering the Registrable Securities, as applicable.

(kk) "**Shelf Period**" shall have the meaning set forth in Section 2.1(e).

(ll) "**Shelf Request**" shall have the meaning set forth in Section 2.1(a).

(mm) "**SunPower**" shall have the meaning set forth in the Recitals.

(nn) "**Suspension**" shall have the meaning set forth in Section 2.3(a).

(oo) "**Total**" shall have the meaning set forth in the Preamble.

(pp) "**TZS**" shall have the meaning set forth in the Preamble.

(qq) "**U.S.**" means the United States of America.

(rr) "**Withdrawn Registration**" means a forfeited Requested Registration in accordance with the terms and conditions of Section 2.2(c).

(ss) "**WKSI**" shall have the meaning set forth in Section 2.6(b).

ARTICLE II

REGISTRATION RIGHTS

Section 2.1 Shelf Registration.

(a) Filing and Initial Effectiveness. Upon the receipt of a written request from any Holder or group of Holders on or after the date that is twelve (12) months after the Effective Date (a "**Shelf Request**"), the Company shall, as promptly as practicable thereafter, file with the Commission a Shelf Registration Statement relating to the offer and sale of the Registrable Securities by such Holder or group of Holders from time to time in accordance with the methods of distribution elected by such Holder(s) and set forth in the Shelf Registration Statement and thereafter shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective pursuant to the Securities Act within 90 days of the initial filing of such Shelf Registration Statement with the Commission, *provided* that no Registrable Securities that are then subject to an effective registration statement shall be required to be included therein.

(b) Amendment to Shelf Registration. Upon the written request of any Holder whose Registrable Securities are not included in the Shelf Registration Statement at the time of such Holder's request, the Company shall amend the Shelf Registration Statement to include the Registrable Securities of such Holder; *provided* that the Company shall not be required to amend the Shelf Registration Statement more than once in any six month period; provided, further, that such Registrable Securities are not already covered by an existing and effective registration statement that may be utilized for the offer and sale of the Registrable Securities requested to be registered in the manner so requested.

(c) Notice to Holders; Inclusion in Amendment. Within 10 days after receiving a request pursuant to Section 2.1(a) or Section 2.1(b), the Company shall give written notice of such request to each other Holder and shall include in such filing of or amendment to the Shelf Registration Statement all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within 10 days after the Company's giving of such notice, *provided, however,* that such Registrable Securities are not already covered by an existing and effective registration statement that may be utilized for the offer and sale of the Registrable Securities requested to be registered in the manner so requested.

(d) Form of Shelf Registration. The Shelf Registration Statement shall be on Form S-3 (or, if the Company is not eligible to file the Shelf Registration Statement on Form S-3, on Form S-1 (or any successor form or other appropriate form under the Securities Act)); provided that, for so long as the Company is a "foreign private issuer" (as defined in Rule 405 under the Securities Act), the Company may use the comparable forms for registration statements applicable to foreign private issuers.

(e) Continued Effectiveness. The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective pursuant to the Securities Act (including filing post-effective amendments, appropriate qualifications pursuant to applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) in order to permit the Prospectus forming a part thereof to be usable by the Holders until the earliest of (i) if the Shelf Registration Statement is on Form S-1, the date the Company (A) is eligible to register the Registrable Securities for resale by Holders on Form S-3 and (B) has filed such Registration Statement on Form S-3 with the Commission and such Registration Statement on Form S-3 has been declared effective, (ii) the date that all Registrable Securities covered by the Shelf Registration Statement shall have ceased to be Registrable Securities or (iii) the expiration of such Shelf Registration Statement in accordance with Rule 415(a)(5) promulgated under the Securities Act (such period of effectiveness, the "**Shelf Period**"). Notwithstanding clause (iii) of this Section 2.1(e), if a Shelf Registration Statement expires in accordance with Rule 415(a)(5), subject to the limitations set forth in Section 2.1(g), any Holder or group of Holders may make a new Shelf Request relating to a Shelf Registration Statement to replace such expired Shelf Registration Statement.

(f) Shelf Notice. In the event that any Holder or group of Holders notifies the Company in writing that it wishes to sell Registrable Securities pursuant to the Shelf Registration Statement, the Company shall use its reasonable best efforts to permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such notice as soon as practicable.

(g) Limitations on Shelf Registration. The Company shall not be obligated to effect, or to take any action to effect, any sale of Registrable Securities pursuant to this Section 2.1:

(i) If the aggregate number of Registrable Securities proposed to be sold by any Holder or group of Holders at any one time pursuant to the Shelf Registration Statement will not exceed 5% of the then-outstanding Ordinary Shares;

(ii) In case such sale is proposed to be done by means of an underwritten offering, if the aggregate net proceeds from such sale are expected to be less than $50,000,000;

(iii) If Form S-1 or S-3 is not available for the distribution contemplated by such Holder or group of Holders;

(iv) In any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the Securities Act, or in which it would become subject to any material tax; or

(v) If such sale of any Registrable Securities would cause the Holder requesting to sell such Registrable Securities to be in violation of the Shareholders Agreement.

Section 2.2 Requested Registration.

(a) Request for Registration.

(i) During the twelve (12)-month period after the Effective Date or if, commencing 90 days following a Shelf Request made pursuant to Section 2.1(a), there is no currently effective Shelf Registration Statement on file with the Commission, any Holder or group of Holders may make a written request to the Company for registration of Registrable Securities (a "**Requested Registration**"). Each such request shall specify the aggregate amount of Registrable Securities to be registered and the intended methods of disposition thereof.

(ii) The Company shall as soon as practicable file a registration statement relating to such Requested Registration (a "**Requested Registration Statement**") and use its reasonable best efforts to effect such registration to permit or facilitate the sale and distribution as soon as practicable of all or such portion of the Registrable Securities as are specified in such Requested Registration.

(iii) Within 10 days after receiving a request for a Requested Registration, the Company shall give written notice of such request to each other Holder and shall, subject to the provisions of Section 2.3(d) in the case of an underwritten offering, include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after the Company's giving of such notice; *provided*, *however*, that such Registrable Securities are not already covered by an existing and effective registration statement that may be utilized for the offer and sale of the Registrable Securities requested to be registered in the manner so requested.

(b) Limitations on Requested Registration. The Company shall not be obligated to effect, or to take any action to effect, any sale of Registrable Securities pursuant to this Section 2.2:

(i) If the aggregate number of Registrable Securities proposed to be sold by any Holder or group of Holders at any one time pursuant to the Requested Registration Statement will not exceed 5% of the then-outstanding Ordinary Shares;

(ii) In case such sale is proposed to be done by means of an underwritten offering, if the aggregate net proceeds from such sale are expected to be less than $50,000,000;

(iii) In any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance, unless the Company is already subject to service of process in such jurisdiction or to become subject to any material tax, and except as may be required by the Securities Act;

(iv) After the Company has initiated two Requested Registrations pursuant to this Section 2.2 in any 12-month period (counting for these purposes only (x) registrations that have been declared or ordered effective and pursuant to which securities have been sold, and (y) Withdrawn Registrations);

(v) Within 90 days after the effective date of a Company-initiated registration (or, if earlier, ending on the subsequent date on which all market stand-off agreements applicable to such offering have terminated); or

(vi) If such registration or sale of any Registrable Securities requested to be registered would cause the Holder of such Registrable Securities to be in violation of the Shareholders Agreement.

(c) Withdrawal. Any Holder or group of Holders that submitted a request for a Requested Registration may withdraw such Requested Registration at any time prior to the effectiveness of the applicable Requested Registration Statement. Upon receipt of a written notice to such effect, the Company shall cease all efforts to secure effectiveness of the applicable Requested Registration Statement but such registration shall nonetheless be deemed to be a Requested Registration for purposes of Section 2.2(a) unless (i) such Holder or group of Holders shall have paid or reimbursed the Company for all of the reasonable and documented Registration Expenses incurred by the Company in connection with such withdrawn Requested Registration or (ii) the withdrawal is made following written notice from the Company, acting through the Independent Directors, that the registration would require the Company to make an Adverse Disclosure.

Section 2.3 Additional Provisions Applicable to Sales Pursuant to Shelf Registration Statement and Requested Registration Statement.

(a) Suspension of Registration. Notwithstanding the provisions of Section 2.1 and Section 2.2, if at any time the filing, initial effectiveness or continued use of a Shelf Registration Statement or a Requested Registration Statement would require the Company to make an Adverse Disclosure, the Company acting through the Independent Directors, may, upon giving written notice thereof to each Holder, delay the filing or initial effectiveness of, or suspend the use of, such registration statement (a "**Suspension**"), *provided* that the Company shall not be permitted to exercise a Suspension for a period exceeding an aggregate of 90 days in any 12-month period. In the case of a Suspension, each Holder agrees to suspend use of the applicable Prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities promptly upon receipt of the notice referred to above until it is advised in writing by the Company that the Prospectus may be used. Upon termination of any Suspension, the Company shall promptly (A) notify each Holder, (B) amend or supplement the Prospectus, if necessary, so that it does not contain any untrue statement of a material fact contained or incorporated by reference therein or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and (C) furnish to each Holder such number of copies of the Prospectus as so amended or supplemented as such Holder may reasonably request.

(b) Other Shares. A Shelf Registration Statement or a Requested Registration Statement may include securities of the Company being sold for the account of the Company.

(c) Underwriting.

(i) If any Holder or group of Holders intends to sell Registrable Securities pursuant to a Shelf Registration Statement or a Requested Registration Statement by means of an underwritten offering, it shall so advise the Company as a part of its request made pursuant to Section 2.1(f) or Section 2.2(a). Subject to Section 2.6(o), such Holder or group of Holders and the Company shall enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by such Holder or group of Holders after consultation with the Company, which managing underwriter shall be reasonably acceptable to the Company.

(ii) Within 10 days after receiving a request for an underwritten offering constituting a "takedown" from a Shelf Registration Statement, the Company shall give written notice of such request to each other Holder and shall, subject to the provisions of Section 2.3(d) hereof, include in such underwritten offering all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after the Company's giving of such notice; *provided*, *however*, that such Registrable Securities are not already covered by an existing and effective Shelf Registration Statement that may be utilized for the offering and sale of the Registrable Securities requested to be registered in the manner so requested.

(iii) The price, underwriting discount and other financial terms for any underwritten offering of Registrable Securities pursuant to Section 2.1 or Section 2.2 shall be determined by the Holder or group of Holders participating in such underwritten offering.

(iv) The provisions of Section 2.3(a) shall be applicable to any underwritten offering pursuant to this Section 2.3(c).

(d) Priority of Securities Sold. Notwithstanding any other provision of this Section 2.3, if the managing underwriter advises the Holder or group of Holders participating in an underwritten offering in writing that marketing factors require a limitation on the number of shares to be underwritten, the managing underwriter may (subject to the limitations set forth below) limit the number of securities to be included in the registration and underwriting. The amount of securities (including Registrable Securities) that are entitled to be included in such registration and underwriting shall be allocated as follows: (i) first, to the Holder or group of Holders participating in such underwritten offering; and (ii) second, to the Company (it being understood that the Company may allocate, at its discretion, for its own account or for the account of other holders or employees of the Company).

Section 2.4 Company Registration.

(a) Company Registration. If the Company shall determine, in its sole discretion, to register any of its securities either for its own account or the account of a security holder other than any Holder (other than a registration (A) pursuant to Section 2.1 or Section 2.2, (B) relating solely to employee benefit plans, (C) relating to the offer and sale of debt securities and/or equity securities issuable upon conversion thereof or in exchange therefor, (D) relating to a corporate reorganization or other Rule 145 transaction, or (E) on any registration form that does not permit secondary sales) (any such registration, an "**Inapplicable Registration**"), the Company will:

(i) promptly give written notice of the proposed registration to each Holder; and

(ii) except as set forth in Section 2.4(b), use its reasonable best efforts to include in such registration (and any related qualification pursuant to blue sky laws or other compliance) all or a portion of any Registrable Securities as are specified in a written request by any Holder received by the Company within 10 Business Days after such written notice from the Company is received by such Holder.

(b) Underwriting.

(i) If the registration for which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise each Holder as a part of the written notice given pursuant to Section 2.4(a)(i). In such event, any Holder's right to registration pursuant to this Section 2.4 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's securities in the underwriting to the extent provided herein. Subject to Section 2.6(o), if any Holder proposes to distribute any securities (including Registrable Securities) through such underwriting, it shall (together with the Company and any other holders of securities of the Company participating in such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected by the Company.

(ii) If a Person (including any Holder) who has requested to include securities in such registration as provided above does not agree to the terms of any such underwriting, such Person shall be excluded therefrom by written notice from the Company or the underwriter. If securities are so excluded and if the amount of securities to be included in such registration was previously reduced as a result of marketing factors pursuant to Section 2.4(c), the Company shall then offer to all Persons who have retained the right to include securities in such registration the right to include additional securities in such registration in an aggregate amount equal to the number of securities so excluded, with such securities to be allocated among the Persons requesting to include additional securities in the manner set forth in Section 2.4(c).

(c) Priority of Securities Sold. Notwithstanding any other provision of this Section 2.4, if the managing underwriter advises the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the managing underwriter may (subject to the limitations set forth below) limit the number of securities to be included in the registration and underwriting. The Company shall so advise any Holder and all other holders of securities requesting registration and the amount of securities that are entitled to be included in the registration and underwriting shall be allocated as follows: (i) first, to the Company for securities being sold for its own account and (ii) second, to any Holders and any other holder of securities requesting to include such securities on such registration statement *pro rata* on the basis of the relative number of Registrable Securities such Holders have requested to be included in such registration and the number of Ordinary Shares requested to be included in such registration by such third parties.

(d) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it pursuant to this Section 2.4 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

(e) No Effect on Shelf Registration or Requested Registration. No registration of Registrable Securities effected pursuant to a request pursuant to this Section 2.4 shall be deemed to have been effected pursuant to Section 2.1 and Section 2.2 or shall relieve the Company of its obligations pursuant to Sections 2.1 or Section 2.2.

Section 2.5 Expenses of Registration. Except as specifically provided in this Agreement, all Registration Expenses incurred in connection with any registration effected pursuant to this Article II shall be borne by the Company; *provided*, *however*, that the Company shall not be required to pay for expenses of any Requested Registration that has been subsequently withdrawn by the Holder or group of Holders that requested such Requested Registration (and such Holder or group of Holders shall reimburse the Company for such Registration Expenses), unless such Holder or group of Holders agrees to forfeit its right to one Requested Registration in such 12-month period pursuant to Section 2.2 (it being understood that if two Requested Registrations have already occurred in such 12-month period, such Holder or group of Holders shall agree to forfeit its right to one Requested Registration in the next 12-month period). In addition, if and to the extent applicable in connection with any Requested Registration, any Holder or group of Holders participating in such Requested Registration refuses to enter into an underwriting agreement with any underwriter in form reasonably necessary to effect the offer and sale of Registrable Securities and such form, at the time of such refusal complies with Section 2.6(o), and as a result such Requested Registration is withdrawn by such Holder or group of Holders, then the Company shall not be required to pay any Registration Expenses incurred in connection with such Requested Registration (and such Holder or group of Holders shall reimburse the Company for such Registration Expenses) unless such withdrawal is the result of an adverse event occurring at the Company not known to such Holder or group of Holders at the time of such Requested Registration. All Selling Expenses incurred in connection with any registration effected pursuant to Section 2.1 or Section 2.2 or with respect to any Registrable Securities of any Holder or group of Holders included in a registration statement pursuant to Section 2.4 shall be borne by such Holder or group of Holders, as applicable.

Section 2.6 Registration Procedures. In the case of each registration effected by the Company pursuant to this Article II, the Company will use its reasonable best efforts to effect such registration to permit the sale of securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable and will keep the Holders advised on a reasonably current basis as to the initiation of each registration and as to the completion thereof. At its expense, the Company will use its reasonable best efforts to:

(a) Prepare the required registration statement, including all exhibits and financial statements required pursuant to the Securities Act to be filed therewith, and before filing a registration statement, or any amendments or supplements thereto, or Prospectus, (i) furnish to the underwriter, if any, and the Holder or group of Holders copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriter, the Holder or group of Holders and their respective counsel, and (ii) except in the case of a registration pursuant to Section 2.4, not file any registration statement, or amendments or supplements thereto, or Prospectus to which the underwriter, if any, or the Holder or group of Holders shall reasonably object;

(b) To the extent that the Company is a well-known seasoned issuer (as defined in Rule 405 promulgated under the Securities Act) (a "**WKSI**") at the time that any request for registration is submitted to the Company in accordance with Section 2.1 or Section 2.2, file a new automatic shelf registration statement (as defined in Rule 405 promulgated under the Securities Act) (an "**automatic shelf registration statement**");

(c) Prepare and file with the Commission such amendments and supplements to such registration statement and the Prospectus used in connection with such registration statement as may be (i) reasonably requested by the Holder or group of Holders (except in the case of a registration pursuant to Section 2.4) or (ii) necessary to comply with the provisions of the Securities Act;

(d) Furnish to the Holder or group of Holders and each underwriter, if any, without charge, as many conformed copies as such Holder or group of Holders or any underwriter may reasonably request of the applicable registration statement and any amendment or post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(e) Furnish, without charge, such number of Prospectuses, including any preliminary Prospectuses, and other documents incident thereto, including any amendment of or supplement to the Prospectus, as the Holder or group of Holders may from time to time reasonably request;

(f) On or prior to the date on which the applicable registration statement is declared effective, to the extent required by applicable Law, register and qualify the securities covered by such registration statement pursuant to the securities or blue sky laws of each jurisdiction as shall be reasonably requested by the Holder or group of Holders; *provided*, *however*, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions where it is not then so subject;

(g) Except in the case of a registration pursuant to Section 2.4, notify the Holder or group of Holders and the managing underwriter, if any, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company, (i) when the applicable registration statement, or any amendment or supplement thereto, has been filed or becomes effective and when the applicable Prospectus has been filed; and (ii) of any written comments by the Commission or any request by the Commission or any other federal or state governmental authority or regulatory authority for amendments or supplements to such registration statement or such Prospectus or for additional information;

(h) Promptly notify the Holder or group of Holders (i) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or any order by the Commission or any other federal or state governmental authority or regulatory authority preventing or suspending the use of any preliminary or final Prospectus or the initiation, or written threatened initiation, of any proceedings for such purposes; (ii) of the receipt by the Company of any notification with respect to the suspension of the qualification of the securities so registered for offering or sale in any jurisdiction or the initiation, or written threatened initiation, of any proceeding for such purpose; and (iii) at any time when a Prospectus relating to such registration statement is required to be delivered pursuant to the Securities Act of

the occurrence of any event as a result of which the Prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading, and following such notification promptly prepare and furnish to the Holder or group of Holders a reasonable number of copies of a supplement to, or an amendment of, such Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such Prospectus shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading;

(i) Prevent or obtain the withdrawal of any stop order or other order suspending the use of any preliminary or final Prospectus;

(j) Promptly incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriter and the Holder or group of Holders agree should be included therein relating to the plan of distribution with respect to such securities, and make all required filings of such Prospectus supplement or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(k) If at any time when the Company is required to re-evaluate its WKSI status for purposes of an automatic shelf registration statement used to effect a request for registration in accordance with Section 2.1 or Section 2.2, (i) the Company determines that it is not a WKSI, (ii) the registration statement is required to be kept effective in accordance with this Agreement, and (iii) the registration rights of any Holder pursuant to this Agreement have not terminated, promptly amend the registration statement onto a form that the Company is then eligible to use or file a new registration statement on such form, and keep such registration statement effective in accordance with the requirements otherwise applicable pursuant to this Agreement;

(l) Cooperate with the Holder or group of Holders and the managing underwriter, if any, to facilitate the timely preparation and delivery of certificates representing securities to be sold that are in a form eligible for deposit with The Depository Trust Company and that do not bear any restrictive legends, and enable such securities to be in such denominations and registered in such names as the managing underwriter may request at least two Business Days prior to any sale of securities to the underwriters;

(m) Provide a transfer agent and registrar for all securities registered pursuant to such registration statement and a CUSIP number for all such securities, in each case not later than the effective date of such registration;

(n) Cause all such securities registered hereunder to be listed on each securities exchange on which the same securities issued by the Company are then listed;

(o) In connection with any underwritten offering, enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of such securities, *provided* that (i) such underwriting agreement contains reasonable and customary provisions, (ii) if participating in such underwriting, a Holder shall also enter into and perform its respective obligations pursuant to such agreement, (iii) if participating in such underwriting, the indemnification and contribution obligations of such Holder shall be several and not joint, and (iv) if participating in such underwriting, the aggregate amount of such Holder's liability shall not exceed its net proceeds from such underwritten offering;

(p) Obtain for delivery to any Holder or group of Holders and the underwriter, if any, an opinion from counsel for the Company dated the effective date of the registration statement or, in the event of an underwritten offering, the date of the closing pursuant to the underwriting agreement, in customary form, scope and substance, which opinion shall be reasonably satisfactory to such Holder or group of Holders and to the underwriter, as the case may be, and their respective counsel;

(q) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 2.1 or Section 2.2, obtain for delivery to the Company and the managing underwriter, if any, with copies to any Holder or group of Holders, a "cold comfort" letter from the Company's independent certified public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as the managing underwriter reasonably requests, dated the date of execution of the underwriting agreement and brought down to the closing pursuant to the underwriting agreement;

(r) Cooperate with any Holder or group of Holders and each underwriter, if any, participating in the disposition of such securities and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority, Inc.;

(s) Make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act;

(t) Except in the case of a registration pursuant to Section 2.4, make available upon reasonable notice at reasonable times and for reasonable periods for inspection by a representative appointed by any Holder, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such Holder or any such underwriter, all pertinent financial and other records, corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees and the independent public accountants who have certified the Company's financial statements to make themselves available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such registration statement as shall be necessary to enable them to exercise their due diligence responsibility, *provided* that any such Person gaining access to information regarding the Company pursuant to this Section 2.6(t) shall agree to hold such information in strict confidence and shall not make any disclosure or use any such information that the Company determines in good faith to be confidential, and of which determination such Person is notified, unless (i) the release of such information is required by law; (ii) such information is or becomes publicly known other than through a breach of this or any other agreement; (iii) such information is or becomes available to such Person on a non-confidential basis from a source other than the Company, which source had no contractual or other duty of confidentiality to the Company with respect to such information and of which the Holder is aware; or (iv) such information is independently developed by such Person; and

(u) In connection with any underwritten offering pursuant to a registration statement filed pursuant to Section 2.1 or Section 2.2, cause the senior executive officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the managing underwriter in any such underwritten offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto.

Section 2.7 Suspension of Sales. Upon any notification by the Company pursuant to Section 2.6(h), no Holder shall offer or sell Registrable Securities unless and until, as applicable (a) the Company has notified such Holder that it has prepared a supplement or amendment to such Prospectus and delivered copies of such supplement or amendment to such Holder, or (b) the Company has advised such Holder in writing that the use of the applicable Prospectus may be resumed. It is acknowledged and agreed that this Section 2.7 shall in no way diminish or otherwise impair the Company's obligations pursuant to Section 2.6(h) or Section 2.6(i).

Section 2.8 Indemnification.

(a) To the fullest extent permitted by law, the Company will indemnify and hold harmless each Holder, each of its officers, directors and stockholders, each Person controlling such Persons within the meaning of Section 15 of the Securities Act, and each Holder's legal counsel and accountants against any and all expenses, claims, losses, damages and liabilities, joint or several, or actions, proceedings or settlements in respect thereof (each, a "**Loss**" and collectively "**Losses**") arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any final, preliminary or summary Prospectus, any registration statement, any issuer free writing prospectus (as defined in Rule 433 of the Securities Act), or any issuer information (as defined in Rule 433 of the Securities Act) filed or required to be filed by the Company pursuant to Rule 433(d) promulgated under the Securities Act; (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading; or (iii) any violation (or alleged violation) by the Company of the Securities Act, any state securities laws or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any offering covered by such registration, qualification or compliance. The Company will reimburse each such indemnified Person for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such Loss; *provided*, *however*, that the Company will not be liable in any such case to the extent that any such Loss arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such indemnified Person and stated to be specifically for use therein; and *provided*, *further*, *however*, that the obligations of the Company hereunder shall not apply to amounts paid in settlement of any such Losses if such settlement is effected without the consent of the Company unless such settlement (A) includes an unconditional release of the Company from all liability on claims that are the subject matter of such proceeding and (B) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of the Company. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder or any other indemnified party and shall survive the transfer of any Registrable Securities.

(b) To the fullest extent permitted by law, each Holder will, severally and not jointly, indemnify and hold harmless the Company, each of its directors and officers, and each Person (other than such Holder) who controls the Company within the meaning of Section 15 of the Securities Act against all Losses (or actions in respect thereof) arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained or incorporated by reference in any preliminary or summary Prospectus, registration statement, any free writing prospectus (as defined in Rule 433 of the Securities Act) prepared or used by or on behalf of such Holder, or any information filed or required to be filed by such Holder pursuant to Rule 433(d), (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation (or alleged violation) by such Holder of the Securities Act, any state securities laws or any rule or regulation thereunder applicable to such Holder and relating to action or inaction required of such Holder in connection with any offering covered by such registration, qualification or compliance, and will reimburse the Company and such indemnified Persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such Loss, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in reliance upon and in conformity with written information furnished to the Company by such Holder specifically for use therein; *provided*, *however*, that the obligations of any Holder hereunder shall not apply to amounts paid in settlement of any such Losses if such settlement is effected without the consent of such Holder unless such settlement (A) includes an unconditional release of such Holder from all liability on claims that are the subject matter of such proceeding and (B) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of such Holder; and *provided*, *further*, *however*, that in no event shall any indemnity pursuant to this Section 2.8(b) exceed the net proceeds from the offering received by such Holder.

(c) Each Person entitled to indemnification pursuant to this Section 2.8 (each, an "**Indemnified Party**") shall give notice to the party hereto required to provide indemnification pursuant to this Section 2.8 (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom, *provided* that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at its own expense, and *provided further* that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations pursuant to this Section 2.8 except to the extent that the Indemnified Party is materially prejudiced thereby. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof a full and unconditional release of the Indemnified Party from all liability in respect of such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any Loss, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Party, on the other hand, in connection with the statements or omissions that resulted in such Loss as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Person will be required pursuant to this Section 2.8(d) to contribute any amount in excess of the net proceeds from the offering received by such Person, except in the case of fraud or willful misconduct by such Person. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.8(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 2.8(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with any underwritten public offering are in conflict with the foregoing provisions, the provisions of this Agreement shall control.

(f) Indemnification similar to that specified in the preceding provisions of this Section 2.8 (with appropriate modifications) shall be given by the Company and each seller of securities (including any Holder) with respect to any required registration or other qualification of securities pursuant to any federal or state law or regulation or governmental authority other than the Securities Act.

Section 2.9 Information by Holders. As a condition to the Company's obligations to register securities for the account of any Holder, such Holder shall furnish to the Company such information regarding it and the distribution proposed by it as the Company may reasonably request and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Article II.

Section 2.10 Subsequent Registration Rights. The Company is not currently a party to any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are on parity with or senior to, or inconsistent with, the registration rights granted to the Holders pursuant to this Agreement. From and after the Effective Date, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder any

registration rights the terms of which are materially more favorable to the registration rights granted to the Holders pursuant to this Agreement. In no event shall the Company enter into any agreement with any holder or prospective holder of securities of the Company that provides such holder with any "demand" rights of the type contemplated by Section 2.2 (excluding "shelf rights" of the type contemplated by Section 2.1) or providing such holder with any "piggyback" rights on any registrations initiated by any Holder pursuant to this Agreement.

Section 2.11 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(a) Make and keep available in accordance with Rule 144 adequate current public information with respect to the Company at all times; and

(b) File with the Commission in a timely manner all reports and other documents required of the Company pursuant to the Securities Act and the Exchange Act at any time.

Section 2.12 Termination of Registration Rights. Each Holder's rights pursuant to Section 2 (other than Section 2.8) shall terminate on the first date on which (i) all Registrable Securities beneficially owned by such Holder constitute less than 5% of the then-outstanding Ordinary Shares, (ii) all Registrable Securities beneficially owned by such Holder may immediately be resold by such Holder pursuant to Rule 144 during any 90 day period without any volume limitation or other restrictions on transfer thereunder, or (iii) the Company ceases to be subject to the periodic reporting requirements pursuant to Section 13 or 15(d) of the Exchange Act. From and after the termination of such rights, such Holder shall have no further right to offer or sell any of the Registrable Securities pursuant to any registration statement (or any Prospectus relating thereto).

Section 2.13 Transfer or Assignment of Registration Rights. This Agreement may not be assigned by (a) the Company without the prior written consent of each Holder, except that the Company may assign this Agreement at any time in connection with a sale or acquisition of the Company, whether by merger, consolidation, sale of all or substantially all of the Company's assets or similar transaction, *provided* that if the successor or acquiring Person has publicly traded equity securities, such Person will agree in writing to assume all of the Company's rights and obligations under this Agreement, or (b) a Holder without the prior written consent of the Company, except that each Holder may assign its rights and obligations under this Agreement without such consent in connection with a transfer of its Ordinary Shares to an Affiliate of such Holder but only if such Affiliate has agreed in writing to be bound by the terms of this Agreement as a Holder to the extent and for the duration that such terms remain in effect. Any purported assignment or delegation in violation of this Section 2.13 shall be void and of no effect.

Section 2.14 Restrictions on Sale. The Company and each Holder agrees not to effect any sale or distribution of any securities similar to those being registered in accordance with Section 2.1 or Section 2.2, or any securities convertible into or exchangeable or exercisable for such securities, in each case, in connection with an underwritten offering during such period as the managing underwriter may reasonably request (but in any event no more than 90 days) beginning on, the effective date of any registration statement relating to an offering pursuant to Section 2.1 or the pricing of an offering pursuant to Section 2.2 (except as part of such registration statement and except pursuant to an Inapplicable Registration).

ARTICLE III

MISCELLANEOUS

Section 3.1 Modification; Waiver. This Agreement may be amended, modified or supplemented only by a written instrument duly executed by the Company and each Holder. No course of dealing between the Company or its subsidiaries and any Holder or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party hereto to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 3.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly delivered and received hereunder (i) one Business Day after being sent for next Business Day delivery, fees prepaid, via a reputable international overnight courier service, (ii) if sent by facsimile transmission or electronic email before 5:00 p.m. in the time zone of the receiving party, when transmitted and receipt is confirmed, (iii) if sent by facsimile transmission or electronic email after 5:00 p.m. in the time zone of the receiving party and receipt is confirmed, on the following Business Day, and (iv) if otherwise actually personally delivered by hand, when delivered, in each case to the intended recipient, at the following addresses, email addresses or fax numbers (or at such other address, email address or fax number for a party as shall be specified by similar notice):

(a) If to the Company, to:

Maxeon Solar Technologies, Ltd.
8 Marina Boulevard #05-02
Marina Bay Financial Center, 018981
Singapore
Attn: Jeff Waters, Chief Executive Officer
Email: Jeff.Waters@sunpower.com

with copies (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
USA
Attn: Eric M. Swedenburg
Sebastian Tiller

Email: eswedenburg@stblaw.com
stiller@stblaw.com
Facsimile: +1 (212) 455-2502

and

Jones Day
250 Vesey Street
New York, New York 10281
USA
Attention: Randi C. Lesnick
Email: rclesnick@JonesDay.com

and

Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
USA
Attention: Erin S. de la Mare
Email: esdelamare@JonesDay.com

(b) If to Total, to:

Total Solar INTL
2 place Jean Millier-Arche Nord Coupole/Regnault
92078 Paris La Défense Cedex
France
Attn: Jean-Charles Arrago
Email: Jean-charles.arrago@total.com

with copies (which shall not constitute notice) to:

Latham & Watkins LLP
45, rue Saint-Dominique
Paris, France 75007
Attn: Olivier du Mottay, Ryan Maierson
Email: Olivier.duMottay@lw.com, Ryan.Maierson@lw.com

(c) If to TZS, to:

[Insert Name of TZS Entity]
[•]
Attn: [•]
Email: [•]
Facsimile: [•]

with copies (which shall not constitute notice) to:

[•]
[•]
Attn: [•]
Email: [•]
Facsimile: [•]

(d) if to any Holder other than Total or TZS, at such Holder's address as it appear in the records of the Company or the records of the transfer agent or registrar, if any, for the Ordinary Shares.

Section 3.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of New York, regardless of the laws that might otherwise govern pursuant to applicable principles of conflicts of law thereof.

Section 3.4 Entire Agreement. This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties hereto with regard to the subject matter hereof. No party hereto shall be liable or bound to any other party in any manner with regard to the subject matter hereof by any warranties, representations or covenants except as specifically set forth herein.

Section 3.5 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party pursuant to this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part hereto of any party of any breach or default pursuant to this Agreement, or any waiver on the part of any party hereto of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either pursuant to this Agreement or by law or otherwise afforded to any party to this Agreement shall be cumulative and not alternative.

Section 3.6 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid, illegal and unenforceable to any extent by any court of law or arbitration tribunal of competent jurisdiction, (i) the remaining provisions of this Agreement shall not be affected thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by applicable law, (ii) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by applicable law and (iii) the application of such provision to other persons or circumstances or in other jurisdictions shall not be affected thereby.

Section 3.7 Titles and Subtitles. The table of contents, titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to articles, sections, paragraphs and exhibits shall, unless otherwise provided, refer to articles, sections and paragraphs hereof and exhibits attached hereto.

Section 3.8 Counterparts. This Agreement may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts will together constitute the same agreement. Any such counterpart, to the extent delivered by means of a fax machine or by ..pdf, .tif, .gif, .jpeg or similar attachment to electronic mail (any such delivery, an "**Electronic Delivery**") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent that such defense relates to lack of authenticity.

Section 3.9 Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and other documents as any other party hereto reasonably may request in order to carry out the provisions of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.10 Interpretation. This Agreement shall be construed reasonably to carry out its intent without presumption against or in favor of any party hereto. The parties hereto have participated jointly in negotiating and drafting this Agreement.

Section 3.11 Attorneys' Fees. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party such reasonable fees and expenses of attorneys and accountants, which shall include all fees, costs and expenses of appeals.

Section 3.12 Certain References. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The terms "herein," "hereof" or "hereunder" or similar terms as used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless the context otherwise requires, "neither," "nor," "any," "either" and "or" shall not be exclusive. All references herein to "days" in this Agreement (excluding references to Business Days) are references to calendar days. Any reference to any statute or regulation refers to the statute or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, includes any rules and regulations promulgated pursuant to the statue) and any reference to any section of any statute or regulation includes any successor to the section. Any reference herein to "$" will mean U.S. dollars. When used herein, "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if".

Section 3.13 Specific Performance. The parties hereto acknowledge and agree that the failure of any party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part to the consummation of the transactions contemplated hereby, will cause irreparable injury to the other parties for which damages, even if available, will not be an adequate remedy. Accordingly, each party hereto hereby consents to the issuance of injunctive relief by any court or arbitration tribunal of competent jurisdiction to compel performance of such party's obligations, to prevent breaches of this Agreement by such party and to the granting by any court or arbitration tribunal of the remedy of specific performance of such party's obligations hereunder, without bond or other security being required, in addition to any other remedy to which any party is entitled at law or in equity. Each party hereto irrevocably waives any defenses based on adequacy of any other remedy, whether at law or in equity, that might be asserted as a bar to the remedy of specific performance of any of the terms or provisions hereof or injunctive relief in any action brought therefor by any party.

Section 3.14 Effectiveness. This Agreement shall become automatically effective as of the Effective Time. To the extent the Closing does not occur, the provisions of this Agreement shall be without any force or effect and shall create no rights or obligations on the part of any party hereto.

[Execution page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

COMPANY:

Maxeon Solar Technologies, Ltd.

By: _____
Name:
Title:

HOLDER:

Total Solar INTL SAS

By: _____
Name:
Title:

HOLDER:

[Insert Name of TZS Entity]

By: _____
Name:
Title:

SHAREHOLDERS AGREEMENT

SHAREHOLDERS AGREEMENT (this "Agreement"), dated as of [●], 2020 by and among Maxeon Solar Technologies, Ltd., a Singapore public limited company (the "Company"), Total Solar INTL SAS, a French *société par actions simplifiée* (together with its Affiliates that Beneficially Own Ordinary Shares, "Total"), and ZHONGHUAN SINGAPORE INVESTMENT AND DEVELOPMENT PTE. LTD., a [●] (together with its Affiliates that Beneficially Own Ordinary Shares, "TZS" and, together with Total, the "Shareholders" and each individually, a "Shareholder").

WHEREAS, SunPower Corporation ("SunPower") and the Company entered into a Separation and Distribution Agreement, dated November 8, 2019 (the "Separation Agreement"), pursuant to which, among other things, SunPower agreed to distribute all outstanding Ordinary Shares (as defined below) owned by SunPower, on a pro rata basis, to holders of ordinary shares of SunPower (the "Distribution").

WHEREAS, SunPower, the Company, Tianjin Zhonghuan Semiconductors Co., Ltd., an Affiliate of TZS ("TZS Co"), and Total (solely for purposes of Sections 5.2, 6.1, 6.3, 6.4, 6.6, 6.8, 6.9(d), 6.10, 8.2(a) and Article IX thereof), entered into an Investment Agreement, dated November 8, 2019 (the "Investment Agreement"), pursuant to which, among other things, the Company agreed to issue and sell to TZS Co, and TZS Co agreed to acquire and purchase from the Company, newly-issued Ordinary Shares, subject to the terms and conditions set forth in the Investment Agreement, immediately following the Distribution.

WHEREAS, as a condition to the Closing (as defined below), the Company, Total and TZS have executed and delivered this Agreement prior to the Closing.

WHEREAS, (i) Total became a direct holder of Ordinary Shares as a result of the Distribution, which was effected immediately prior to execution of this Agreement and the Closing, and (ii) TZS (as TZS Co's designee) will become a direct holder of Ordinary Shares as a result of the Closing.

WHEREAS, concurrently with the execution of this Agreement, the Company, Total and TZS are entering into a Registration Rights Agreement, dated as of the date hereof, providing for certain registration rights which the Company is granting to Total and TZS.

WHEREAS, in connection with the Distribution and the Closing, the Company and the Shareholders (i) wish to set forth certain understandings among the Company and the Shareholders, including with respect to certain governance matters, (ii) have executed and delivered this Agreement prior to the Closing, and (iii) wish for this Agreement to become automatically effective immediately after the Closing (the "Effective Time").

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

Section 1. Definitions; Interpretation.

(a) Definitions. As used herein, the following terms shall have the following respective meanings:

(i) "13D Group" means any group of Persons formed for the purpose of acquiring, holding, voting or disposing of Voting Securities that would be required under Section 13(d) of the Exchange Act, and the rules and regulations thereunder (as in effect on, and based on legal interpretations thereof existing on, the date hereof), to file a statement on Schedule 13D pursuant to Rule 13d-1(a) with the SEC as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group Beneficially Owned Voting Securities representing more than 5% of any class of Voting Securities then outstanding.

(ii) "Act" means the Companies Act, Chapter 50 of Singapore, as amended.

(iii) "Affiliate" means as to any Person, any other Person or entity who directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person. For the avoidance of doubt, for purposes of this Agreement, none of the Shareholders shall be deemed to be an Affiliate of the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries shall be deemed to be an Affiliate of any Shareholder.

(iv) "Agreement" shall have the meaning set forth in the Preamble.

(v) "Anti-Corruption Laws and Obligations" means, with respect to any party to this Agreement, (i) the laws, statutes, rules and regulations governing the activities of the Company or this Agreement which prohibit bribery and corruption and, where applicable, the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and such Convention's Commentaries, and (ii) laws prohibiting bribery and corruption in the jurisdictions in which such party is organized or registered, carries out most of its business activities or is listed on a stock exchange or stock market, or in the jurisdiction in which the ultimate parent entity of such party is organized or registered, carries out most of its business activities or is listed on a stock exchange or stock market.

(vi) "Beneficially Own" (and, with correlative meanings, "Beneficial Ownership" and "Beneficially Owned") has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act, provided that, for purposes of this Agreement, TZS shall, at any given time, be deemed to Beneficially Own all of the Ordinary Shares it is then entitled to purchase under the Option, whether at such time or at the Option Expiration Date.

(vii) "Board" means the board of directors of the Company.

(viii) "Business Day" means a day that is not a Saturday, Sunday or day on which banking institutions in (i) New York, New York, (ii) Paris, France, (iii) Beijing, People's Republic of China or (iv) Singapore are authorized or required by law to close.

(ix) "CEO" means the Chief Executive Officer of the Company.

(x) "Close Family Member" means, with respect to a Person, any member of the family of such Person: (i) that may be expected to exercise influence over such Person; or (ii) where the business of such family member (whether or not conducted through an entity or subsidiary) is influenced by such Person, including, in each case, any (a) children or dependents of such Person, (b) spouse or companion of such Person, or (c) children or dependents of the spouse or companion of such Person.

(xi) "Closing" means the closing of the issuance of Ordinary Shares to TZS pursuant to and in accordance with the Investment Agreement.

(xii) "Company" shall have the meaning set forth in the Preamble and includes the Company's successors by merger, acquisition, reorganization or otherwise.

(xiii) "Company Equity Plan" means any option or other equity benefit plan of the Company.

(xiv) "Confidential Information" means all confidential and proprietary information (irrespective of the form of communication) obtained by or on behalf of any Shareholder from the Company or its representatives, through the ownership of Ordinary Shares or other securities of the Company or any of its Subsidiaries or such Shareholder's governance rights pursuant to this Agreement, other than information which (i) was or becomes generally available to the public other than as a result of a breach of this Agreement by such Shareholder or its representatives, (ii) was or becomes available to such Shareholder or its representatives on a non-confidential basis prior to disclosure to such Shareholder or its representatives by or on behalf of the Company or its representatives, (iii) was or becomes available to such Shareholder or its representatives from a source other than the Company or its representatives, provided, that such source is not known by such Shareholder or its representatives to be bound by a confidentiality obligation to the Company with respect to such information at the time of its disclosure or (iv) is independently developed by or on behalf of such Shareholder or its representatives without the use of any Confidential Information.

(xv) "Control Acquisition" means any transaction or series of transactions involving: (i) (a) any acquisition (whether direct or indirect, including by way of merger, share exchange, consolidation, business combination or other similar transaction) or purchase from the Company that would result in any Person or group of Persons Beneficially Owning more than fifty percent (50%) of the total outstanding Equity Securities of the Company (measured by voting power or economic interest), or (b) any tender offer, exchange offer, other secondary acquisition or similar transaction that would result in any Person or group of Persons Beneficially Owning more than fifty percent (50%) of the total outstanding Equity Securities of the Company (measured by voting power or economic interest), or (c) any merger, consolidation, share exchange, business combination or similar transaction involving the Company that would result in the shareholders of the Company immediately preceding such transaction Beneficially Owning less than fifty percent (50%) of the total outstanding Equity Securities in the surviving or resulting entity of such transaction (measured by voting power or economic interest); or (ii) any sale or lease or exchange, transfer, license or disposition of a business, deposits or assets that constitute more than fifty percent (50%) of the consolidated assets, business, revenues, net income, assets or deposits of the Company and its Subsidiaries.

(xvi) "Control Acquisition Proposal" means any proposal, offer, inquiry, indication of interest or expression of intent (whether binding or non-binding) by any Person or group of Persons relating to a Control Acquisition.

(xvii) "Convertible [Debenture]" means [●].

(xviii) "Convertible Securities" means any securities of the Company which are or by their terms will be convertible into, exchangeable for or otherwise exercisable to acquire Voting Securities, including convertible securities, warrants, rights or options to purchase Voting Securities whether or not then in the money.

(xix) "Designees" means the Total Designees and TZS Designees, collectively.

(xx) "Director" means any director of the Company.

(xxi) "Distribution" shall have the meaning set forth in the Recitals.

(xxii) "EBITDA" means, for any period, the total of the following calculated for Company and its Subsidiaries on a consolidated basis and without duplication, with each component thereof determined in accordance with the accounting principles applied by the Company in its good faith calculation of its financial results for such period: (a) consolidated net income; plus (b) any deduction for (or less any gain from) income, franchise or other taxes included in determining such consolidated net income; plus (c) interest expense deducted in determining such consolidated net income; plus (d) amortization and depreciation expense deducted in determining such consolidated net income; plus (e) any non-

recurring charges and any non-cash charges resulting from application of the accounting principles applied by the Company in its good faith calculation of its financial results for such period insofar as the foregoing requires a charge against earnings for the impairment of goodwill and other acquisition related charges to the extent deducted in determining such consolidated net income and not added back pursuant to another clause of this definition; plus (f) any non-cash expenses that arose in connection with the grant of equity or equity-based awards stock to officers, directors, employees and consultants of the Company and its Subsidiaries and were deducted in determining such consolidated net income; plus (g) non-cash restructuring charges; plus (h) non-cash charges related to negative mark-to-market valuation adjustments as may be required by the accounting principles applied by the Company in its good faith calculation of its financial results for such period from time to time; plus (i) non-cash charges arising from changes in the accounting principles applied by the Company in its good faith calculation of its financial results for such period occurring after the date hereof; less (j)(1) non-cash adjustments related to positive mark-to-market valuation adjustments as may be required by the accounting principles applied by the Company in its good faith calculation of its financial results for such period from time to time and (2) any extraordinary gains; plus (k) any publicly disclosed amounts attributable to the incremental costs of above-market polysilicon in any period (however realized or incurred); and plus or minus, as appropriate (l) other quarterly cash and non-cash adjustments that are deemed by the Controller and Chief Financial Officer of the Company not to be part of the normal course of business and not necessary to reflect the regular, ongoing operations of the Company and its Subsidiaries and are reflected in adjusted EBITDA amounts publicly reported by the Company from time to time. As used in this definition, "non-cash charge" shall mean a charge in respect of which no cash is paid during the applicable period (whether or not cash is paid with respect to such charge in a subsequent period).

(xxiii) "Effective Date" means the date on which Closing occurred under the Investment Agreement.

(xxiv) "Effective Time" shall have the meaning set forth in the Recitals.

(xxv) "Equity Securities" means any and all (i) shares, interests, participations or other equivalents (however designated) of capital stock or other voting securities of a corporation, any and all equivalent or analogous ownership (or profit) or voting interests in a Person (other than a corporation), (ii) securities convertible into or exchangeable for shares, interests, participations or other equivalents (however designated) of capital stock or voting securities of (or other ownership or profit or voting interests in) such Person, and (iii) any and all warrants, rights or options to purchase any of the foregoing, whether voting or nonvoting, and, in each case, whether or not such shares, interests, participations, equivalents, securities, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

(xxvi) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

(xxvii) "General Waiver" means the waiver granted by the SIC on January 30, 2020 with respect to the applicability of the Singapore Code to the Company in all cases except in the case of a tender offer (within the meaning of the Exchange Act) where the Tier I Exemption is available and the Company relies on the Tier I Exemption to avoid full compliance with the tender offer rules promulgated under the Exchange Act.

(xxviii) "Independent Director" means a director that satisfies both (i) any requirements to qualify as an "independent director" under the rules of any stock exchange or stock market on which the Ordinary Shares are then currently listed and (ii) the independence criteria set forth in Rule 10A-3 under the Exchange Act, for so long as such rule is applicable to the Company.

(xxix) "Independent Director Approval" means the affirmative vote or written consent of a majority of the Independent Directors, duly obtained in accordance with the applicable provisions of the Company's constitution and applicable law.

(xxx) "Independent Shareholder" means any shareholder of the Company who is not (x) a Shareholder, an Affiliate of such Shareholder or an officer or director of such Shareholder or Affiliate or (y) an officer or director of the Company or any of its Subsidiaries.

(xxxi) "Indebtedness" means (i) any obligation for borrowed money, (ii) any obligation evidenced by bonds, debentures, notes or other similar instruments, (iii) any obligation to pay the deferred purchase price of property or services (other than accounts payable and accrued expenses incurred in the ordinary course of business determined in accordance with accounting principles applied by the Company in its good faith calculation of its financial results for the period to which such Indebtedness is being calculated), (iv) any obligation with respect to capital leases, (v) any obligation created or arising under any conditional sale or other title retention agreement with respect to property acquired by the Company or any of its Subsidiaries, (vi) all reimbursement and other payment obligations, contingent or otherwise, in respect of letters of credit and similar surety instruments (including construction performance bonds), (vii) any obligation under currency, interest rate or other swaps and any hedging or other obligation under other derivative instruments other than any such swap, hedge or obligation under other derivative instruments that can be implemented by the Company's management without Board approval pursuant to Company policy, (viii) any guaranty obligation with respect to the types of Indebtedness listed in clauses (i) through (vii) above, and (ix) non-recourse obligations but only to the extent secured by assets of the Company or any of its Subsidiaries.

(xxxii) "Investment Agreement" shall have the meaning set forth in the Recitals.

(xxxiii) "LTM EBITDA" shall mean, as of any date, EBITDA for the most recently completed four fiscal quarters for which the Company's financial statements are publicly available immediately preceding such date.

(xxxiv) "New Securities" means Voting Securities or Convertible Securities, excluding securities issued pursuant to the exercise by any Shareholder of its rights pursuant to Section 6 and, to the extent the securities purchased by such Shareholder upon exercise of its rights pursuant to Section 6 are Convertible Securities, any securities issued upon exercise, conversion or exchange of such Convertible Securities.

(xxxv) "Nominating and Corporate Governance Committee" means the nominating and corporate governance committee of the Board, or another committee performing the functions of nominating or selecting individuals for election or appointment to the Board.

(xxxvi) "Nominating and Corporate Governance Committee Charter" means the charter of the Nominating and Corporate Governance Committee.

(xxxvii) "Ordinary Shares" means the ordinary shares issued from time to time in the capital of the Company, or any successor shares or class of shares in the capital of the Company or combination thereof.

(xxxviii) "Option" means [that certain Option Agreement, dated [●], 2020, by and between the Company and TZS granting TZS (or its designee) an option to purchase Ordinary Shares as set forth therein.]

(xxxix) "Option Exercise Date" shall have the meaning set forth in the Option.

(xl) "Organizational Documents" means, with respect to any specified Person, the articles of association, the memorandum of association, the constitution, the certificate of incorporation, the by-laws or other equivalent corporate charter document(s) of such specified Person.

(xli) "Outstanding Indebtedness" means the aggregate amount, without duplication, of all outstanding Indebtedness of the Company and its Subsidiaries; provided that the amount of any non-recourse obligations shall only be included to the extent secured by assets of the Company or any of its Subsidiaries, and then only in the lesser of the amount of such non-recourse obligation or the book value of such assets.

(xlii) "Permitted Transfer" means, in respect of a Shareholder: (i) a Transfer to an Affiliate of such Shareholder if such Affiliate has agreed in writing to be bound by the terms of this Agreement as a Shareholder to the extent and for

the duration that such terms remain in effect at the time of the Transfer; (ii) a Transfer in connection with any Control Acquisition approved by the Board or a duly-authorized committee thereof (including if the Board or such committee affirmatively publicly recommends that the Company's shareholders tender in response to a tender offer or exchange offer that, if consummated, would constitute a Control Acquisition (which recommendation has not been publicly withdrawn or changed); (iii) a Transfer to the Company or any of its Subsidiaries; or (iv) a Transfer to the other Shareholder pursuant to Section 2(m)(iii).

(xliii) "Person" means any natural person, company, partnership, limited liability company, firm, association, trust, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

(xliv) "Public Official" means any individual who is (A) an elected or appointed official of any government or state, (B) an employee or agent of any government or state, any department, body or agency thereof, or any company in which a government or state owns, directly or indirectly, a majority or controlling interest, (C) an official of a political party, (D) a candidate for public office, or (E) an official, employee or agent of any public international organization.

(xlv) "SEC" means the U.S. Securities and Exchange Commission.

(xlvi) "Separation Agreement" shall have the meaning set forth in the Recitals.

(xlvii) "[Share Borrow Facility]" means that certain [Share Borrow Facility] with [●] dated [●].

(xlviii) "Shareholder" and "Shareholders" (as applicable) shall have the meaning set forth in the Preamble.

(xlix) "Shareholder Merger" means a statutory merger (or equivalent concept) under applicable law providing for the acquisition by a Shareholder or one or more of its Affiliates of one hundred percent (100%) of the then-outstanding Voting Securities, which is conditioned (which condition may not be waived) on at least a majority of the Voting Securities that are held by the Independent Shareholders being voted in favor of such merger (or such equivalent concept).

(l) "Shareholder Tender Offer" means a *bona fide* public tender offer subject to the provisions of Regulation 14D when first commenced within the meaning of Rule 14d-2(a) of the rules and regulations under the Exchange Act, by any combination of a Shareholder or one or more of its Affiliates to purchase or exchange for cash or other consideration Voting Securities and which consists of an offer to acquire one hundred percent (100%) of the total Voting Securities then outstanding (other than the Voting Securities Beneficially Owned by such Shareholder) and is conditioned (which conditions may not be waived) on at least a majority of the Voting Securities that are held by the Independent Shareholders being tendered and not withdrawn with respect to such offer.

(li) "Shareholder Transaction" means any transaction or series of transactions involving: (i) (a) any acquisition or purchase of Equity Securities of the Company or any of its Subsidiaries, (b) any tender offer or exchange offer for or other secondary acquisition of Equity Securities of the Company or any of its Subsidiaries, or (c) any merger, consolidation, share exchange, business combination or similar transaction involving the Company or any of its Subsidiaries; or (ii) any sale or lease or exchange, transfer, license or disposition of a business, deposits or assets of the Company or any of its Subsidiaries.

(lii) "Shareholder Transaction Proposal" means any proposal, offer, inquiry, indication of interest or expression of intent (whether binding or non-binding) by any Person or group of Persons relating to a Shareholder Transaction.

(liii) "SIC" means the Securities Industry Council of Singapore.

(liv) "Singapore" means the Republic of Singapore.

(lv) "Singapore Code" means the Singapore Code on Take-Overs and Mergers.

(lvi) "Spin-off Debt" means any financing contemplated by Section 6.9 of the Investment Agreement and which is consummated in connection with the Distribution or the Closing.

(lvii) "Subsidiary" means, with respect to any Person, any company, limited liability company, partnership, joint venture or other legal entity of which such Person (either above or through or together with any other Subsidiary) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such company or other legal entity.

(lviii) "SunPower" shall have the meaning set forth in the Recitals.

(lix) "Tier I Exemption" means the Tier I exemption set forth in Rule 13e-4(h) of the Exchange Act.

(lx) "Total" shall have the meaning set forth in the Preamble.

(lxi) "Total Designee" means any Director who has been designated by Total pursuant to Section 2.

(lxii) "Total Designee Approval" means the affirmative vote or written consent of a majority of the Total Designees, duly obtained in accordance with the applicable provisions of the Company's constitution and applicable law.

(lxiii) "Transfer" (and, with correlative meanings, "Transferee", "Transferor", "Transferred" and "Transferring") means, with respect to any Ordinary Shares, (i) when used as a verb, to sell, assign, dispose of, exchange,

pledge, encumber, hypothecate or otherwise transfer such Ordinary Shares, whether directly or indirectly (including pursuant to a derivative transaction), or agree or commit to do any of the foregoing and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation, or other transfer of such Ordinary Shares or any participation or interest therein or any agreement or commitment to do any of the foregoing.

(lxiv) "TZS" shall have the meaning set forth in the Preamble.

(lxv) "TZS Co" shall have the meaning set forth in the Recitals.

(lxvi) "TZS Designee" means any Director who has been designated by TZS pursuant to Section 2.

(lxvii) "TZS Designee Approval" means the affirmative vote or written consent of a majority of the TZS Designees, duly obtained in accordance with the applicable provisions of the Company's constitution and applicable law.

(lxviii) "U.S." means the United States of America.

(lxix) "Voting Securities" means the Ordinary Shares and any other securities of the Company having the power to vote in the election of members of the Board.

(b) Additional Definitions. Any capitalized term used in any Section of this Agreement (or in the Preamble or Recitals of this Agreement) that is not defined in this Section 1 shall have the meaning ascribed to it in such other Section (or in the Preamble or Recitals, as applicable).

(c) Rules of Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party. The headings and captions of this Agreement are for convenience of reference only and shall not define, limit or otherwise affect any of the terms hereof. Section references are to this Agreement unless otherwise specified and references to clauses without a cross-reference to a Section or subsection are references to clauses within the same Section or, if more specific, subsection. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period is excluded. If the last day of such period is a non-Business Day, the period in question ends on the next succeeding Business Day. For all purposes of this Agreement, unless otherwise expressly provided or the context otherwise requires:

(i) the term "or" is disjunctive but not exclusive;

(ii) the terms "hereof", "herein" and "hereunder" and terms of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement;

(iii) the term “including” and terms of similar import when used in this Agreement are not limiting and mean “including without limitation” unless otherwise specified;

(iv) the term “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends and such phrase shall not mean simply “if”;

(v) the term “outstanding Ordinary Shares” and terms of similar import mean, at any given time, the total number of Ordinary Shares actually issued and outstanding as of such time but without regard to (x) any Equity Securities or other securities or instruments, including any Convertible [Debentures], that are exercisable or exchangeable for or convertible into Ordinary Shares, or (y) any Ordinary Shares subject to [repurchase by the Company] under the [Share Borrow Facility]), unless expressly specified otherwise;

(vi) references to “day” mean a calendar day unless otherwise indicated as a “Business Day”;

(vii) references to “$” means U.S. dollars, the lawful currency of the United States of America; and

(viii) whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.

Section 2. Board of Directors.

(a) Board Size. For so long as a Shareholder Beneficially Owns at least 10% of the outstanding Ordinary Shares, the size of the Board shall, subject to Section 2(d), be fixed at ten (10) directors.

(b) Initial Board. As of the Effective Time, the Board shall initially consist of the following Directors (the “Initial Board”):

(i) three (3) Directors designated by Total as Total Designees;

(ii) three (3) Directors designated by TZS as TZS Designees;

(iii) three (3) Directors who are Independent Directors; and

(iv) the CEO,

The Company and the Board shall take all action necessary to cause three (3) Total Designees, three (3) TZS Designees, three (3) Independent Directors and the CEO to comprise the Board as of the Effective Time.

(c) Chairman. The Board shall elect an Independent Director to serve as chairman of the Board.

(d) Designation of Directors. After the appointment of the Initial Board as set forth in Section 2(b), for so long as a Shareholder Beneficially Owns the applicable percentage of Ordinary Shares set forth below, such Shareholder shall have the right to designate, and the individuals nominated for election as Directors by or at the direction of the Board shall include:

(i) the lowest number of Directors representing a majority of the Directors on the Board, assuming no vacancies, so long as such Shareholder Beneficially Owns at least 50% of the outstanding Ordinary Shares;

(ii) three (3) Directors, so long as such Shareholder Beneficially Owns at least 25% of the outstanding Ordinary Shares but less than 50% of the outstanding Ordinary Shares;

(iii) two (2) Directors, so long as such Shareholder Beneficially Owns at least 15% of the outstanding Ordinary Shares but less than 25% of the outstanding Ordinary Shares; and

(iv) one (1) Director, so long as such Shareholder Beneficially Owns at least 10% of the outstanding Ordinary Shares but less than 15% of the outstanding Ordinary Shares.

If a Shareholder Beneficially Owns at least 50% of the outstanding Ordinary Shares, the Company and the Board shall take all action necessary to cause the size of the Board to be fixed at the number of Directors required to permit compliance with Section 2(d)(i). In the event that the number of Total Designee(s) or TZS Designee(s), as applicable, exceeds the number of Designee(s) that Total or TZS, as applicable, is entitled to designate pursuant to this Section 2(d) (such excess number of Designee(s) of Total or TZS, as applicable, its "Excess Designee(s)") Total or TZS, as applicable, shall as promptly as practicable cause a number of its Designee(s) equal to its Excess Designee(s) to resign from the Board, and the Nominating and Corporate Governance Committee shall as promptly as practicable thereafter, in accordance with the Nominating and Corporate Governance Committee Charter, recommend to the Board an individual who would qualify as an Independent Director for election or appointment to the Board to fill the vacancy that is caused by each such resignation. The Board shall as promptly as practicable thereafter take all action necessary (and Total and TZS shall cause their respective Designees to promptly take all action necessary and shall vote all of their respective Voting Securities or, if applicable, consent in writing) to elect or appoint any such individual identified by the Nominating and Corporate Governance Committee, in accordance with the Nominating and Corporate Governance Committee Charter, to the Board.

(e) Election of Directors.

(i) The Company shall, to the fullest extent permitted by applicable law, cause each individual designated pursuant to Section 2(d) to be included in the slate of nominees recommended by the Board to the Company's shareholders for election as Directors at each annual meeting of the shareholders of the Company

(and/or in connection with any election by written consent) and the Company shall use its reasonable best efforts to cause the election of each such individual as a Director, including nominating such individual to be elected as a Director as provided herein, recommending such individual's election as a Director and soliciting proxies or consents in favor thereof. Without limiting the foregoing, at any annual meeting of shareholders of the Company at which Directors are to be elected, the Company shall, in the sole discretion of Total or TZS, as applicable, either re-nominate for election to the Board each of the respective then-serving Designees of Total or TZS, as applicable, or nominate such other individuals that Total or TZS, as applicable, may designate to the Company in writing. Total shall vote all of its Ordinary Shares in favor of the election to the Board of all individuals designated by TZS pursuant to Section 2(d) or Section 2(f)(i), and TZS shall vote all of its Ordinary Shares in favor of the election to the Board of all individuals designated by Total pursuant to Section 2(d) or Section 2(f)(i).

(ii) At any annual meeting of the shareholders of the Company at which Directors are to be elected, the Company shall re-nominate for election the then-serving CEO. Each of Total and TZS shall vote all of its Ordinary Shares in favor of electing the then-serving CEO to the Board.

(iii) Prior to the time that any individual designated pursuant to Section 2(d) or the CEO becomes a Director, such individual shall tender (and if a Designee, the Shareholder designating such Designee shall take all action to cause such Designee to tender) a resignation letter to the Board to the effect that such individual will (A) in the case of a Designee, unless otherwise agreed by the Board or the Nominating and Corporate Governance Committee, resign as a director effective as of the date on which the Shareholder designating such Designee ceases to have the right to designate a Director pursuant to Section 2(d) or (B) in the case of the CEO, resign as a Director effective as of the date on which such individual no longer serves as CEO.

(iv) Each individual included in the slate of nominees recommended by the Board to the Company's Shareholders for election as Directors, other than a Designee or the CEO, shall be an Independent Director and be selected by the Nominating and Corporate Governance Committee in accordance with the Nominating and Corporate Governance Committee Charter. The Board shall as promptly as practicable thereafter take all action necessary (and Total and TZS shall cause their respective Designees to promptly take all action necessary and shall vote all of their respective Voting Securities or, if applicable, consent in writing) to elect or appoint any such individual identified by the Nominating and Corporate Governance Committee, in accordance with the Nominating and Corporate Governance Committee Charter, to the Board.

(f) Replacement of Directors.

(i) In the event that (A) a vacancy on the Board is created at any time by the death, disability, retirement, resignation or removal (with or without cause) of a Designee (other than any Excess Designee(s)) designated by a Shareholder pursuant to Section 2(d) or designated by a Shareholder pursuant to this Section 2(f)(i) or (B) a Designee designated by a Shareholder pursuant to Section 2(d) or designated by a Shareholder pursuant to this Section 2(f)(i) is not elected by the Company's shareholders at an annual meeting of the shareholders of the Company (or in connection with any election by written consent), in each case of clauses (A) and (B), such Shareholder shall have the right to designate a replacement to fill such vacancy (which, in the case of clause (B), shall be an individual that is different from the Designee who was not elected by the Company's shareholders at such annual meeting). The Company shall, to the fullest extent permitted by applicable law, cause such vacancy to be filled by the individual so designated by such Shareholder, and the Board shall promptly take all action necessary (and Total and TZS shall cause their respective Designees to promptly take all action necessary and shall vote all of their respective Voting Securities or, if applicable, consent in writing) to elect or appoint any such individual to the Board in accordance with the Act. Upon the written request of a Shareholder, the Company and the Board shall take all action necessary to remove from the Board, with or without cause, a Designee designated by such Shareholder pursuant to Section 2(d) or designated by such Shareholder pursuant to this Section 2(f)(i), and to elect or appoint to the Board any individual designated by such Shareholder as provided in the first sentence of this Section 2(f)(i) to replace such Designee (and Total and TZS shall cause their respective Designees to promptly take all action necessary and shall vote all of their respective Voting Securities or, if applicable, consent in writing to effect the foregoing). Any Director designated pursuant to this Section 2(f)(i) shall be considered to be a Total Designee or TZS Designee, as applicable, following such designation and election or appointment to the Board.

(ii) In the event that any Independent Director or the CEO shall cease to serve as a Director for any reason, the Nominating and Corporate Governance Committee shall as promptly as practicable thereafter, in accordance with the Nominating and Corporate Governance Committee Charter, recommend to the Board an individual who meets the qualifications of an Independent Director or is the CEO, as applicable, for election or appointment to the Board to fill such vacancy, and the Board shall as promptly as practicable thereafter take all action necessary (and Total and TZS shall cause their respective Designees to promptly take all action necessary and shall vote all of their respective Voting Securities or, if applicable, consent in writing) to elect or appoint any such individual identified by the Nominating and Corporate Governance Committee, in accordance with the Nominating and Corporate Governance Committee Charter, to the Board.

(g) Increase or Decrease in the Size of the Board. In the event that the size of the Board is increased or decreased at any time, the number of Directors subject to designation by a Shareholder pursuant to Section 2(d) following such increase or decrease shall equal the product of the total number of Directors on the increased or decreased Board *multiplied by* the percentage of Directors on the Board subject to such Shareholder's designation rights pursuant to Section 2(d) immediately prior to such increase or decrease, rounded down to the nearest whole number.

(h) Committees.

(i) Shareholder Representation. So long as a Shareholder has the right to designate at least one (1) Director for election to the Board pursuant to Section 2(d), the Company shall, to the fullest extent permitted by applicable law, cause each committee of the Board to (A) include in its membership at least one (1) of such Shareholder's Designees and (B) if the other Shareholder has the right to designate at least one (1) Director for election to the Board pursuant to Section 2(d), an equal number of Designees of such other Shareholder, except, in each case of clauses (A) and (B), (x) to the extent that such membership would violate applicable securities laws or the rules of the stock exchange or stock market on which the Ordinary Shares are then listed or (y) if the primary purpose of such committee is to consider any matter in which there is a potential conflict of interests between the Company (or any of its Subsidiaries), on the one hand, and such Shareholder (or any of its Affiliates), on the other hand, as determined by the members of the Board (excluding such Shareholder's Designee(s)) in their reasonable judgment.

(ii) Independent Director Representation. The Company shall, to the fullest extent permitted by applicable law, cause each committee of the Board to include in its membership at least two (2) Independent Directors, except to the extent that applicable securities laws or rules of the stock exchange or stock market on which the Ordinary Shares are then listed require a greater number of Independent Directors to be included in the membership of such committee, in which case the Company shall, to the fullest extent permitted by applicable law, cause such committee to include in its membership such greater number of Independent Directors.

(iii) Coordination Committee. Promptly following the Effective Time, the Board shall designate and, until the second anniversary of the Effective Date and for so long as TZS Beneficially Owns at least 15% of the outstanding Ordinary Shares, maintain a Coordination Committee, the members of which shall include at least one (1) TZS Designee, together with such other Directors as are selected by the Board. The Coordination Committee shall convene on a quarterly basis with the management team of the Company to discuss business opportunities for the Company and the Company's performance against targets set forth in the Company's Approved Annual Budget, including the research and development budget included therein.

(i) Compliance. Each Shareholder shall use its reasonable best efforts to cause each of its Designee(s) to comply with any qualification requirements for Directors set forth in the Company's constitution, and all policies, procedures, processes, codes, rules, standards and guidelines applicable to Directors, including the Company's code of business conduct and ethics, any related person transactions approval policy, any securities trading policies, any Directors' confidentiality policy and any corporate governance guidelines, and preserve the confidentiality of the Company's business information, including the discussions of matters considered in meetings of the Board or any committee thereof, at all times that such Designee serves as a Director; provided, however, that the Company

understands and agrees that, subject to the terms of Section 10, each Designee may disclose information he or she obtains while serving as a member of the Board to the Shareholder who designated such Designee and such Shareholder's Affiliates and its and their respective directors, officers, employees and other representatives.

(j) No Limitation. The provisions of this Section 2 are intended to provide the Shareholders with minimum Board representation rights as set forth herein. Subject to Section 5, nothing in this Agreement shall prevent the Company from having a greater number of designees of a Shareholder on the Board than otherwise provided herein. In addition, nothing in this Section 2 shall be construed to prevent a Shareholder from choosing to designate a lesser number of designees on the Board than otherwise provided herein or pursuant to applicable law and the Company's constitution.

(k) Laws and Regulations. Nothing in this Section 2 shall be deemed to require that any party hereto, or any Affiliate thereof, act or be in violation of any applicable provision of law, regulation, legal duty or requirement or stock exchange or stock market rule.

(l) Board Approval. Except as otherwise provided in this Agreement, any action by the Board will require the approval or consent of a majority of the Directors.

(m) Deadlock.

(i) Escalation of Deadlock. If a Shareholder Approval Matter (as defined in Section 3) is considered by the Board and such Shareholder Approval Matter is not approved because one or more Designees of a Shareholder (the "Blocking Shareholder") did not vote (or provide consent) to approve such Shareholder Approval Matter (the "Deadlock Matter") as contemplated by Section 3(a) (a "Deadlock"), then the Shareholder (the "Non-Blocking Shareholder") that designated the Designee(s) who voted (or provided consent) to approve such Deadlock Matter may, by providing written notice to the Blocking Shareholder, initiate a dispute resolution procedure pursuant to which such Deadlock Matter will be discussed in good faith by appropriate members of management of the Blocking Shareholder and the Non-Blocking Shareholder, in order to attempt to resolve such Deadlock Matter within thirty (30) days from the date on which the Deadlock occurred (the "Initial Deadlock Date"), or such longer period as the Shareholders may agree in writing. Any resolution with respect to such Deadlock Matter agreed to by the Shareholders in writing as a result of the foregoing dispute resolution procedures shall be final and binding on the Shareholders with respect to the manner in which their respective Designees shall vote on such Deadlock Matter as provided in such written agreement.

(ii) Mediation. If the Shareholders remain unable to reach an agreement as to such Deadlock Matter following the implementation of the dispute resolution procedures set forth in Section 2(m)(i) and thirty (30) days have passed since the Initial Deadlock Date, the Non-Blocking Shareholder may refer such Deadlock Matter to mediation in Singapore in accordance with the Mediation Rules of the

International Mediation Centre for the time being in force (the "Mediation"). The Mediation shall be conducted by a single mediator. The language of the Mediation shall be English. Any resolution agreed to by the Shareholders in writing as a result of the Mediation shall be final and binding on the Shareholders with respect to the manner in which their respective Designees shall vote on such Deadlock Matter as provided in such written agreement.

(iii) Deadlock Sale. If the Shareholders are unable to reach an agreement as to such Deadlock Matter in the Mediation and sixty (60) days have passed since the Initial Deadlock Date, the Non-Blocking Shareholder may request that a meeting of the Board be convened to vote on such Deadlock Matter (the "Second Meeting") and such Second Meeting shall occur within twenty (20) Business Days thereafter. If such vote at the Second Meeting results in such Deadlock Matter not being approved due to one or more Designees of the Blocking Shareholder voting against such Deadlock Matter, then the Non-Blocking Shareholder shall, subject to Section 3(d), have the right beginning sixty (60) days after the date of the Second Meeting, to purchase the Ordinary Shares Beneficially Owned by the Blocking Shareholder (such transaction, a "Deadlock Transaction"). The purchase price for the Ordinary Shares to be purchased by the Non-Blocking Shareholder in such Deadlock Transaction shall be equal to the fair market value of such Ordinary Shares as agreed in writing by the Shareholders. If the Shareholders cannot agree on the fair market value of such Ordinary Shares, then (i) each Shareholder shall select an internationally recognized investment bank or valuation firm, (ii) the two investment banks or valuation firms selected by the Shareholders shall together unanimously select a third internationally recognized investment bank or valuation firm which does not have a commercial relationship with either Shareholder (each such investment bank or valuation firm, a "Valuer"), and (iii) the three Valuers shall be instructed to make, within 45 days after the selection of the third Valuer, a final determination of the fair market value of the Ordinary Shares to be purchased by the Non-Blocking Shareholder in such Deadlock Transaction, which shall be binding upon the Shareholders, and to promptly notify the Shareholders and the Company in writing of their determination. All determinations and calculations by the Valuers pursuant to this Section 2(m)(iii) will take into account all factors that the Valuers determine relevant for such valuation but shall not consider in any respect or for any purpose any settlement discussions or settlement offer made by or on behalf of any of the Shareholders. In making such determination, each of the Valuers shall function as an appraiser and expert and not as an arbitrator. A judgment on the determination made by the Valuers pursuant to this Section 2(m)(iii) may be enforced by any arbitral tribunal in accordance with Section 14. During the review by the Valuers, the Company will provide the Valuers with such access to the books, records, accountants and relevant employees of the Company and its Subsidiaries as may be reasonably required by the Valuers to fulfill their obligations under this Section 2(m)(iii) (subject to each Valuer executing and delivering customary confidentiality and hold harmless agreements); provided, however, that any such access granted by the Company shall not unreasonably interfere with the conduct of the Company's and its Subsidiaries' businesses. Each Shareholder shall bear the fees and expenses of the Valuer selected by it, and the Shareholders shall each bear fifty percent (50%) of the fees and expenses of the third Valuer.

(n) Recusal. Each Shareholder shall use its reasonable best efforts to cause each of its Designees to recuse himself or herself from all deliberations of the Board and any committee thereof, and the Company shall have no obligation to provide such Designee with any information, (i) regarding (A) any acquisition, disposition, investment or similar transaction that the Company or any of its Subsidiaries elects to pursue if such Shareholder or any of its Affiliates has one or more individuals serving, or is entitled to designate one or more individuals to serve, on the board of directors or body serving in similar function of any other Person who is competing with, or that is otherwise adverse to, the Company with respect to such transaction or (B) any other matter in which there is a potential conflict of interest between the Company (or any of its Subsidiaries), on the one hand, and such Shareholder (or any of its Affiliates), on the other hand, as determined by the members of the Board (excluding such Shareholder's Designee(s)) in their reasonable judgment or (ii) when and to the extent required by applicable law.

(o) Fiduciary Duties of Directors. Nothing in this Section 2 or elsewhere in this Agreement shall be deemed to require any member of the Board (including any Designee), the Board or any committee thereof to take any action or refrain from any action if such member, the Board or any committee thereof determines in good faith that taking such action or refraining from taking such action would be inconsistent with such member's or the Board's fiduciary duties to the Company's shareholders under applicable law. Notwithstanding anything to the contrary set forth in this Agreement, each Shareholder acknowledges and agrees that each of such Shareholder's Designees shall, so long as such Designee serves as a member of the Board, be bound, in his or her capacity as a Director, by his or her or the Board's fiduciary duties to the Company's shareholders under applicable law.

(p) Director Indemnification. The Company shall at all times provide each Designee (in his or her capacity as a member of the Board) with the same rights to indemnification and exculpation and the same coverage under any directors' and officers' insurance policies or fiduciary liability insurance policies that it provides to other members of the Board.

Section 3. Certain Actions.

(a) Shareholder Approval Matters. Subject to the provisions of Section 3(b) and the Act, without first obtaining the Total Designee Approval and the TZS Designee Approval, the Company shall not, and (to the extent applicable) shall not permit any Subsidiary of the Company to, take any of the following actions (each, a "Shareholder Approval Matter"):

(i) amend, modify or repeal any provision of the constitution of the Company or the Organizational Documents of a material Subsidiary;

(ii) merge, amalgamate or consolidate with or into, or enter into any other business combination with, any other entity, or transfer (by lease, assignment, sale or otherwise) all or substantially all of the Company's and its Subsidiaries' assets, taken as a whole, to another entity;

(iii) (A) acquire the equity interests, any business, properties or assets of any Person or invest in another Person or business, in one transaction or a series of related transactions or (B) sell, transfer, lease, pledge or otherwise dispose of assets, businesses or interests of the Company or any of its Subsidiaries or the shares or other equity interests of the Company or any of its Subsidiaries, in each case where the amount of consideration for any such acquisition or disposition (or series of related acquisitions or related dispositions) exceeds the greater of (x) 10% of the value of the Company consolidated assets as set forth on the Company's most recent publicly available consolidated balance sheet and (y) 10% of the aggregate value of the outstanding Ordinary Shares, calculated as (1) the average of the daily volume weighted average trading price of an Ordinary Share on the NASDAQ Stock Exchange, or any other stock exchange or stock market on which the Ordinary Shares are then listed, over the thirty (30) consecutive trading day period immediately prior to the Company's entry into a definitive agreement with respect to such acquisition or disposition *multiplied* by (2) the number of Ordinary Shares outstanding on such date;

(iv) incur any Indebtedness (other than, for the avoidance of doubt, the Spin-off Debt), unless the ratio of Outstanding Indebtedness to LTM EBITDA for the most recently completed four fiscal quarters for which the Company's financial statements are publicly available immediately preceding the date on which such Indebtedness is proposed to be incurred would have been less than five (5), determined on a consolidated and pro forma basis as if the additional Indebtedness proposed to be incurred had been incurred at the beginning of such four-quarter period;

(v) declare or pay any cash or in-kind dividend, extraordinary or otherwise, to the shareholders of the Company, other than a quarterly dividend to the holders of Ordinary Shares in the ordinary course of business as approved by the Board, or redeem, repurchase or otherwise acquire any Ordinary Shares or other Equity Securities of the Company (other than in connection with the forfeiture of an award under a Company Equity Plan or as otherwise contemplated by a Company Equity Plan);

(vi) voluntarily dissolve or liquidate the Company or any of its Subsidiaries;

(vii) voluntarily file a petition for bankruptcy or receivership for the Company or any of its Subsidiaries, or fail to oppose any other Person's petition for bankruptcy or any other person's action to appoint a receiver of the Company or any of its Subsidiaries;

(viii) enter into, amend, or extend any transaction with Total or TZS or that would otherwise be required to be disclosed as a transaction with a related person pursuant to Item 404 of Regulation S-K of the U.S. Securities Act of 1933, as amended;

(ix) enter into or adopt any shareholder rights plan or other "poison pill" arrangement, or any amendment or termination thereof (other than the expiration by its terms);

(x) change the size of the Board; or

(xi) enter into any agreement, arrangement or commitment to do any of the foregoing.

(b) Termination of Shareholder Approval Rights. The requirement for approval of a Shareholder's Designees pursuant to Section 3(a) shall terminate at such time as such Shareholder no longer Beneficially Owns at least 20% of the outstanding Ordinary Shares.

(c) Independent Director Approval Matters. Subject to the provisions of the Act, for so long as a Shareholder Beneficially Owns at least 15% of the outstanding Ordinary Shares, the Company shall not, and (to the extent applicable) shall not permit any Subsidiary of the Company to, take any of the following actions without first obtaining Independent Director Approval:

(i) amend, modify or repeal any provision of the constitution of the Company or the Organizational Documents of a material Subsidiary;

(ii) enter into or consummate any transaction that, in the reasonable judgment of the Independent Directors, involves a conflict of interest between Total or TZS, on the one hand, and the Company or any of its Affiliates, on the other hand;

(iii) enter into or adopt any shareholder rights plan or other "poison pill" arrangement, or any amendment or termination thereof (other than the expiration by its terms);

(iv) approve or recommend the acceptance of a tender offer or exchange offer by a Shareholder or one or more of its Affiliates to purchase or exchange for cash or other consideration any Voting Security, or approve or recommend a merger of the Company or any of its Subsidiaries with such Shareholder or one or more of its Affiliates;

(v) voluntarily dissolve or liquidate the Company or any of its Subsidiaries;

(vi) voluntarily file a petition for bankruptcy or receivership for the Company or any of its Subsidiaries, or fail to oppose any other Person's petition for bankruptcy or any other person's action to appoint a receiver of the Company or any of its Subsidiaries;

(vii) delegate all or a portion of the authority of the Board to any committee of the Board;

(viii) amend, modify or waive any of the provisions of this Agreement;

(ix) modify (including a failure to maintain current levels of coverage in any successor policy), or take any action with respect to, director's and officer's insurance coverage; or

(x) subject to the Act and the Company's constitution, reduce the compensation of any Independent Director; or

(xi) enter into any agreement, arrangement or commitment to do any of the foregoing.

(d) Singapore Code; Prohibited Transactions. At any time at which the General Waiver is not in effect and the SIC has not otherwise issued a ruling that the Shareholders are not "acting in concert" for the purposes of the Singapore Code, without limiting any of the other provisions set forth in this Agreement (including Section 5), no Shareholder shall proceed with any transaction or acquisition of Ordinary Shares or take any other action that would require the Shareholders (if deemed to be acting in concert for the purposes of this Section 3(d) only) to make a mandatory general offer under Rule 14 of the Singapore Code (any such transaction, acquisition or action, a "Prohibited Transaction"). If, notwithstanding the foregoing, any Shareholder proceeds with or undertakes a Prohibited Transaction, such Shareholder (the "Defaulting Shareholder") shall, subject to the Singapore Code and any requirements of the SIC and subject to the other provisions set forth in this Agreement, undertake all necessary steps (including by selling or transferring all or some of its Ordinary Shares) to ensure that such mandatory general offer would not be required to be made. Without limiting any other rights and remedies that may be available to the other Shareholder, the Defaulting Shareholder shall: (i) as between the Shareholders, be deemed to have made such mandatory general offer on its own (and not acting in concert with the other Shareholder); (ii) be responsible for all costs and expenses associated with such mandatory general offer; and (iii) indemnify the other Shareholder and its directors, officers, employees and other representatives against any and all losses, claims, damages, liabilities and related expenses arising out of, in any way connected with or as a result of such Prohibited Transaction or such mandatory general offer.

Section 4. TZS Secondees and Total Secondees.

(a) TZS Secondees. For so long as TZS Beneficially Owns 15% or more of the outstanding Ordinary Shares, TZS shall have the right to second five (5) of its employees (or employees of its Affiliates) to the Company, after consideration of such candidates' personal experience, recognized expertise and potential for synergistic contributions, in agreement with the CEO. The seniority level and area of expertise of TZS' initial five (5) secondees shall be as follows:

(i) [●];

(ii) [●];

(iii) [●];

(iv) [●]; and

(v) [●].

(b) Total Secondees. For so long as Total Beneficially Owns 15% or more of the outstanding Ordinary Shares, Total shall have the right to second two (2) of its employees (or employees of its Affiliates) to the Company, after consideration of such candidates' personal experience, recognized expertise and potential for synergistic contributions, in agreement with the CEO. The seniority level and area of expertise of Total's initial two (2) secondees shall be as follows:

(i) [●]; and

(ii) [●].

(c) Each employee of TZS or Total (or their respective Affiliates), as applicable, seconded to the Company pursuant to this Section 4 shall remain an employee of TZS and Total (or their respective Affiliates), as applicable. The Company shall be solely responsible for all compensation and benefits of such employees seconded to the Company pursuant to this Section 4, as reasonably agreed and reflected in the agreement executed among such secondee and/or the Shareholder employing such secondee and the Company as contemplated in the immediately following sentence, and, in each case, for all withholding, workers' compensation and any other insurance and fringe benefits with respect to such secondees. No secondee may commence work until an appropriate agreement has been executed among such secondee and/or the Shareholder employing such secondee and the Company, which agreement is approved by the Independent Directors; provided that each such agreement shall address such matters not inconsistent with this Agreement as the Independent Directors shall require, provided, further, that substantially the same conditions shall be imposed on secondees of each of TZS and Total.

Section 5. Standstill.

(a) From and after the Effective Time until the date on which the Board no longer includes a director, officer or employee of a Shareholder or any of its Subsidiaries, subject in each case to the exceptions set forth in Section 5(b) and Section 5(c), such Shareholder shall not (and shall cause its Affiliates not to), directly or indirectly or alone or in concert with others:

(i) except for any acquisition of Voting Securities (x) of a Shareholder by another Shareholder (including pursuant to Section 2(m)(iii) or Section 8), (y) pursuant to a Shareholder's preemptive rights set forth in Section 6 or the Option, or (z) subject to Section 3(c), in connection with a public offering of Voting

Securities by the Company that is underwritten by an internationally recognized investment bank, effect or seek, offer or agree to effect, or announce any intention to effect or cause or participate in or seek, offer or agree to effect or participate in any transaction that would result in such Shareholder Beneficially Owning Voting Securities (represented as a percentage of the total number of outstanding Voting Securities after giving effect to such transaction) in excess of the percentage that the total number of Voting Securities Beneficially Owned by such Shareholder as of the Effective Time represents relative to the total number of Voting Securities outstanding as of the Effective Time;

(ii) take any action which would reasonably be expected to require the Company to make a public announcement regarding an action prohibited by Section 5(a)(i) pursuant to applicable law, the Singapore Code (if applicable) or the rules of the stock exchange or stock market on which the Ordinary Shares are then listed;

(iii) except in connection with a Permitted Transfer or a Transfer permitted under Section 7 and Section 8 (including any proposed sale or Transfer by a Shareholder of all or any portion of its Ordinary Shares to a third-party Person following compliance with the procedures set forth in Section 8), seek, make or take any action to solicit, initiate or encourage, any offer or proposal for, or any indication of interest in, a merger, consolidation, tender offer or exchange offer, sale or purchase of assets or securities or other business combination or any dissolution, liquidation, restructuring, recapitalization or similar transaction, in each case, involving the Company or any of its Subsidiaries or a substantial portion of the assets of the Company or any of its Subsidiaries;

(iv) "solicit," or become a "participant" in any "solicitation" of, any "proxy" (as such terms are defined in Regulation 14A under the Exchange Act) from any holder of Voting Securities in connection with any vote on any matter (whether or not relating to the election or removal of directors), or agree or announce its intention to vote with any Person undertaking a "solicitation" (provided, that such Shareholder shall not be deemed to be a participant in any "solicitation" merely by reason of membership of such Shareholder's Designees on the Board);

(v) form, join or in any way participate in a 13D Group with respect to any Voting Security (other than a 13D Group solely composed of the Shareholders and/or their respective Affiliates);

(vi) grant any proxies with respect to any Voting Security to any Person (including the other Shareholder) (other than as recommended by the Board) or deposit any Voting Security in a voting trust or enter into any other arrangement or agreement with respect to the voting thereof;

(vii) seek, alone or in concert with other Persons, additional representation on the Board or seek the removal of any Independent Director or a change in the composition or size of the Board that is inconsistent with this Agreement;

(viii) enter into any discussions or arrangements, understandings or agreements (whether written or oral) with, or advise, finance or assist any other Persons in connection with any of the foregoing; or

(ix) request, propose or otherwise seek, directly or indirectly, any amendment or waiver of the provisions of this Section 5(a) (provided, however, that such Shareholder may privately propose such an amendment or waiver to the Board (which, for the avoidance of doubt, the Board can accept or reject in its sole discretion) in a manner that is not intended and would not reasonably be expected to require the Company to make any public disclosure or other public announcement regarding such request or proposal pursuant to applicable law, the Singapore Code (if applicable) or the rules of the stock exchange or stock market on which the Ordinary Shares are then listed),

it being understood and agreed that this Section 5 shall not limit (x) the activities of any Designee taken in good faith in his or her capacity as a Director, (y) the participation of any Designee in any discussions, deliberations, negotiations or determinations of the Board (or any committee thereof), or (z) if the General Waiver is not in effect, any action required by the Singapore Code or the SIC.

(b) Notwithstanding Section 5(a), nothing in this Agreement shall prohibit any Shareholder or its Affiliate, as applicable, from: (i) either (A) making and consummating a Shareholder Tender Offer (or taking preparatory steps in connection therewith) or (B) proposing and effecting a Shareholder Merger (or taking preparatory steps in connection therewith); provided, that no such Shareholder Tender Offer or Shareholder Merger shall be publicly proposed or effected unless (x) at least one hundred and twenty (120) days prior to commencing such Shareholder Tender Offer within the meaning of Rule 14d-2(a) of the rules and regulations promulgated under the Exchange Act or soliciting shareholder approval of such Shareholder Merger within the meaning of Rule 14a-2 of the rules and regulations under the Exchange Act, (1) such Shareholder or its Affiliate, as applicable, has provided written notice to the Company that it is prepared to commence negotiations with the Independent Directors regarding such Shareholder Tender Offer or Shareholder Merger and will make its designees reasonably available during normal business hours on reasonable advance notice to such Shareholder or its Affiliate, as applicable, from the Independent Directors for the purpose of engaging in such negotiations and (2) such Shareholder or its Affiliate, as applicable, has caused its designees to be so available for such negotiations during such one hundred twenty (120)-day period (it being understood that the Independent Directors shall have the authority to hire independent legal and financial advisors for such purposes, the fees and expenses of which will be borne by the Company), and (y) such Shareholder or its Affiliate, as applicable, has not made any coercive or retributive threats to members of the Board, the Independent Directors or shareholders of the Company in connection with such Shareholder Tender Offer or Shareholder Merger; provided, however, that prior to asserting any breach by a Shareholder of this Section 5(b), the Company shall have, within five (5) Business Days of the

occurrence of such breach, provided such Shareholder with written notice of such breach and provided such Shareholder with five (5) Business Days from the date of such notice to cure such breach (even if such cure period would extend beyond the one hundred and twenty (120) day period contemplated by sub-clause (x) of this Section 5(b)), which breach, if cured within such five (5) Business Days, shall be deemed to have never occurred; or (ii) making any public disclosure regarding clause (i) above that is required by applicable law or the Singapore Code (if applicable) in connection with actions taken in compliance with the terms of clause (i) above.

(c) Notwithstanding Section 5(a) and Section 5(b), nothing in this Agreement shall prohibit any Shareholder or its Affiliate, as applicable, from: (i) making and submitting to the Board a non-public, confidential Shareholder Transaction Proposal and, if such discussions are initiated by the Board, subsequently engaging in private discussions with the Board regarding such Shareholder Transaction Proposal, so long as such action would not be reasonably likely to require such Shareholder or its Affiliate, as applicable, the Company or any other Person to make a public announcement regarding such Shareholder Transaction Proposal pursuant to applicable law, the Singapore Code (if applicable) or the rules of any applicable stock exchange or stock market; or (ii) after the public announcement of a definitive agreement with respect to a Control Acquisition that was entered into between the Company and any Person other than such Shareholder or its Affiliate (a "Third Party Acquisition") and until the earlier of (x) the closing of such Third Party Acquisition and (y) ninety (90) days after the termination of such definitive agreement, notwithstanding anything to the contrary in this Agreement, (A) making and submitting to the Company, the Board, and/or the Company's shareholders, an alternative Control Acquisition Proposal on a publicly disclosed and announced basis for all outstanding Equity Securities of the Company, which, if such alternative Control Acquisition Proposal is being made in the form of a tender offer or exchange offer, shall be on the same terms for all Ordinary Shares and include a non-waivable condition that a majority of outstanding Ordinary Shares not Beneficially Owned by such Shareholder and its Affiliates are tendered into such offer, or (B) taking any other action, whether or not otherwise restricted by Section 5(a) (but subject to Section 5(a)(i)) in connection with evaluating, making, submitting, negotiating, effectuating or implementing any such alternative Control Acquisition Proposal (or any amendment, supplement or modification thereto), including actively soliciting shareholders of the Company not to vote in favor of or to vote against such Third Party Acquisition.

Section 6. Preemptive Rights.

(a) The Company shall not issue or agree to issue Ordinary Shares, other Equity Securities or any other securities of the Company that are convertible into or exercisable or exchangeable for Ordinary Shares (such securities, "Preemptive Securities"), unless, in each case, the Company shall have first given written notice (the "Preemptive Notice") to each Shareholder (each, a "Preemptive Right Holder") that shall (i) state the Company's intention to issue the Preemptive Securities (in each case, an "Initial Issuance"), the amount to be issued, the terms of such Preemptive Securities, the purchase price therefor and a summary of the other material terms and conditions of the proposed Initial Issuance, and (ii) offer (a "Preemptive Offer") to issue to such Shareholder up to such number of

Preemptive Securities as such Shareholder has the right to acquire pursuant to Section 6(b) and as set forth in the Preemptive Notice (the "Offered Securities") on the terms and conditions (including purchase price) set forth in the Preemptive Notice, which Preemptive Offer by its terms shall remain open and irrevocable for a period of twenty (20) Business Days from the date it is delivered by the Company to such Shareholder (the "Preemptive Period") and, to the extent the Preemptive Offer is accepted during such Preemptive Period, until the closing of the Initial Issuance contemplated by the Preemptive Offer.

(b) Each Shareholder shall be entitled to participate in each Initial Issuance on a *pro rata* basis by purchasing a number of Offered Securities in an amount equal to the product of (i) the total number of Preemptive Securities to be issued in the Initial Issuance *multiplied by* (ii) a fraction in which the numerator is the number of Ordinary Shares Beneficially Owned by such Shareholder [(excluding any Ordinary Shares obtainable by such Shareholder on conversion of any Convertible Debentures until such Ordinary Shares are actually issued)] and the denominator is the aggregate number of Ordinary Shares outstanding, in each case immediately prior to such Initial Issuance and on a fully diluted basis (such fraction, such Shareholder's "Pro Rata Portion").

(c) Notice of a Shareholder's intention to accept a Preemptive Offer, in whole or in part, shall be evidenced by a writing signed by such Shareholder and delivered to the Company prior to the end of the Preemptive Period of such Preemptive Offer (each, a "Notice of Acceptance"), setting forth the portion of the Offered Securities that such Shareholder elects to purchase.

(d) If a Shareholder fails to exercise its preemptive right or elects to exercise such right with respect to less than such Shareholder's Pro Rata Portion of such Preemptive Securities (as determined pursuant to Section 6(c)) but the other Shareholder exercises its preemptive right for all of its Pro Rata Portion of such Preemptive Securities (any Shareholder that so exercises its preemptive right for all of its Pro Rata portion of such Preemptive Securities, a "Fully Participating Shareholder"), the Company shall, within two (2) Business Days after the end of the Preemptive Period, make such adjustment to the allotment of the Fully Participating Shareholder so that such Fully Participating Shareholder's Pro Rata Portion of any remaining Preemptive Securities not acquired by the other Shareholder may be allocated to it and notify such Fully Participating Shareholder in writing of its rights to subscribe for such remaining Preemptive Securities. The Fully Participating Shareholder shall have a period of five (5) Business Days after the end of the Preemptive Period to (ii) amend its Notice of Acceptance to include the number of remaining Preemptive Securities it wishes to subscribe for, if any, and (ii) deliver such amended Notice of Acceptance to the Company (such fifth (5th) Business Day being the "Final Preemptive Date").

(e) Upon the closing of the Initial Issuance (which shall occur within twenty (20) Business Days after (i) the end of the Preemptive Period if both Shareholders or neither of them are Fully Participating Shareholders or (ii) the Final Preemptive Date if only one Shareholder is a Fully Participating Shareholder), each electing Shareholder shall promptly purchase from the Company, and the Company shall issue to such Shareholder, the Offered Securities covered by such Shareholder's Notice of Acceptance (as amended in accordance

with Section 6(d), if applicable) delivered to the Company by such Shareholder, on the terms and conditions (including purchase price) set forth in the Preemptive Offer. The purchase by a Shareholder of any Offered Securities is subject in all cases to the execution and delivery by the Company and such Shareholder of a purchase agreement relating to such Offered Securities in customary form and reflecting the price, terms and conditions set forth in the Preemptive Offer.

(f) In the event a Shareholder has elected to participate in an Initial Issuance and has timely delivered a Notice of Acceptance to the Company but any governmental approval(s) applicable to such Shareholder has prevented it from purchasing Offered Securities in the Initial Issuance (such Shareholder, an "Affected Shareholder"), from the closing of the Initial Issuance through the three-month anniversary of the date thereof, the Affected Shareholder shall have the right to purchase the amount of Offered Securities necessary for such Affected Shareholder to Beneficially Own its Pro Rata Portion of the share capital of the Company on a fully diluted basis as if the Affected Shareholder had participated in the Initial Issuance (the "Catch-Up Securities"). The Affected Shareholder's right to purchase Offered Securities pursuant to this Section 6(f) shall be satisfied pursuant to one of the following two methods, which shall be determined by the Shareholder that is not the Affected Shareholder (the "Unaffected Shareholder"), in such Unaffected Shareholder's sole discretion: (A) the Company shall reserve during the Initial Issuance and, upon the Affected Shareholder's receipt of the outstanding governmental approval(s), issue the Catch-Up Securities to the Affected Shareholder on the same terms and conditions, including the same purchase price, as the Initial Issuance or (B) the Unaffected Shareholder shall purchase the Catch-Up Securities from the Company at the time of consummation of the Initial Issuance and, upon the Affected Shareholder's receipt of the outstanding governmental approval(s), sell such Catch-Up Securities to the Affected Shareholder on the same terms and conditions as the Initial Issuance, provided, that, the Affected Shareholder's purchase price for the Catch-Up Securities shall be equal to the purchase price set forth in the Preemptive Offer plus interest accruing at a rate of 2.0% per annum from the date of the consummation of the Initial Issuance up to, but excluding, the date of such sale to the Affected Shareholder. The purchase by an Affected Shareholder of any Catch-Up Securities pursuant to this Section 6(f) is subject in all cases to the execution and delivery by the Affected Shareholder, the Company, and the Unaffected Shareholder, as applicable, of a purchase agreement relating to such securities in customary form and reflecting the price (subject to adjustment as contemplated by the foregoing clause (B)), terms and conditions set forth in the Preemptive Offer.

(g) The preemptive rights set forth in this Section 6 with respect to any Shareholder shall terminate at such time as such Shareholder no longer owns at least 10% of the outstanding Ordinary Shares.

(h) The provisions of this Section 6 shall not apply to issuances by the Company or any of its Subsidiaries as follows:

(i) the issuance of Ordinary Shares by the Company pursuant to the transactions contemplated by the Separation Agreement and the Investment Agreement;

(ii) the issuance of New Securities as consideration in an acquisition of a business or assets of a business which has been approved pursuant to Section 3(a)(iii) to the extent required;

(iii) the issuance or grant of New Securities pursuant to any option or other equity benefit plan of the Company or any of its Subsidiaries (such plan, a "Company Equity Plan"), including the issuance of New Securities upon the conversion, exercise, vesting or exchange of a Convertible Security that was issued or granted under a Company Equity Plan; or

(iv) the issuance of New Securities under a shareholder rights plan or other "poison pill" arrangement entered into or adopted by the Company (subject to Section 3(a) and Section 3(c)).

Section 7. Transfers of Shares.

(a) Other than pursuant to a Permitted Transfer, prior to the second anniversary of the Effective Date, neither Shareholder shall offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise Transfer or dispose of, directly or indirectly, any Ordinary Shares Beneficially Owned by such Shareholder or any other securities so owned that are convertible into or exercisable or exchangeable for Ordinary Shares if following such transaction such Shareholder would cease to Beneficially Own at least 20% of the outstanding Ordinary Shares, where the determination of the Ordinary Shares Beneficially Owned by such Shareholder and the total outstanding Ordinary Shares shall be on an as converted, exercised or exchanged basis excluding any Ordinary Shares that may be issuable upon conversion of any Convertible Debentures held by any person until such Ordinary Shares are actually issued.

(b) Other than pursuant to a Permitted Transfer, prior to the second anniversary of the Effective Date, Total shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise Transfer or dispose of, directly or indirectly, any Ordinary Shares Beneficially Owned by Total or any other securities so owned that are convertible into or exercisable or exchangeable for Ordinary Shares if (i) immediately before the consummation of such transaction, the percentage of the outstanding Ordinary Shares Beneficially Owned by Total is not greater than that Beneficially Owned by TZS or (ii) immediately after the consummation of such transaction, and as a result of such transaction, the percentage of the outstanding Ordinary Shares Beneficially Owned by Total would be less than or equal to the percentage of the outstanding Ordinary Shares Beneficially Owned by TZS.

(c) Any Transfers effected pursuant to this Agreement shall be made in compliance with applicable securities laws and shall, upon reasonable request of the Company in connection with a private placement, be made conditional upon delivery of an opinion of legal counsel reasonably acceptable to the Company.

Section 8. Right of First Offer.

(a) If any Shareholder desires to sell or Transfer (other than any Permitted Transfer) all or any portion of its Ordinary Shares to a third-party Person in a block sale transaction or other negotiated transaction with an identified counterparty, then such Shareholder (the "Selling Shareholder") shall first, before offering to sell or Transfer such Ordinary Shares to the third-party Person, give prior written notice to the other Shareholder (the "Offered Shareholder") of such intent and specify the aggregate amount of Ordinary Shares which such Selling Shareholder is proposing to sell and the price and other material terms and conditions on which the Selling Shareholder is offering to sell the Ordinary Shares (the "ROFO Notice"). Within twenty (20) days after the date of receipt of the ROFO Notice (the "Notice Period"), the Offered Shareholder may either decline in writing to offer to buy such Ordinary Shares, or propose in writing the price at and terms and conditions on which the Offered Shareholder offers to buy all (but not less than all) of such Ordinary Shares (the "Counteroffer"). The Selling Shareholder shall have twenty (20) days after receipt of the Counteroffer to either accept or decline in writing the Counteroffer. For a period of sixty (60) days from earlier of (i) the date on which the Offered Shareholder declines in writing to buy the Ordinary Shares specified in the ROFO Notice, (ii) the date on which the Selling Shareholder declines the Offered Shareholder's Counteroffer and (iii) the date of the expiration of the Notice Period, the Selling Shareholder may sell or enter into an agreement to sell all, but not less than all, of the Ordinary Shares covered by the ROFO Notice at a price and upon terms and conditions no more favorable to the Transferee than the price, terms and conditions specified in the ROFO Notice. To the extent Ordinary Shares are to be Transferred to the Offered Shareholder pursuant to this Section 8(a), the Selling Shareholder shall cause such Ordinary Shares to be Transferred free and clear of all liens, claims, encumbrances and other restrictions (other than as set forth in this Agreement) and shall be deemed to have represented that such Selling Shareholder has full right, title and interest in and to such Ordinary Shares and has all necessary power and authority and has taken all necessary actions to sell such Ordinary Shares. The closing of any Transfer pursuant to this Section 8(a) shall occur in accordance with the terms and provisions of the offer and this Agreement.

(b) Any proposed Transfer by a Selling Shareholder not consummated within the time periods set forth in this Section 8 shall again be subject to this Section 8 and shall require compliance by such Selling Shareholder with the procedures described in this Section 8. The exercise or non-exercise of the rights of any Shareholder under this Section 8 with respect to any proposed Transfer shall not adversely affect its rights with respect to subsequent Transfers by a Selling Shareholder under this Section 8.

Section 9. Access and Information Rights.

(a) Without limiting, and in addition to, the rights of inspection provided under the Act, for so long as a Shareholder Beneficially Owns at least 10% of the outstanding Ordinary Shares, such Shareholder will, subject to the other provisions of this Section 9, be entitled to the following access rights with respect to the Company and its Subsidiaries:

(i) Upon the reasonable request of such Shareholder, such Shareholder shall be entitled to consult with and advise the Company's CEO, President, Chief Financial Officer and Executive Vice Presidents (collectively, "Senior Management") and other employees with respect to the Company's business and financial matters, including Senior Management's proposed annual operating plans, and, upon reasonable request, members of Senior Management will meet with representatives of such Shareholder at the Company's and/or its Subsidiaries' facilities (or such other locations as the Company may designate) at mutually agreeable times for such consultation and advice, including to review progress in achieving said plans. The Company agrees to give due consideration in good faith to the advice given and any proposals made by such Shareholder, recognizing that the ultimate discretion with respect to all such matters shall be retained by the Company and the Board (except, for the avoidance of doubt, as otherwise specifically set forth in this Agreement).

(ii) Such Shareholder may, during normal business hours and upon seventy-two (72) hours' advance written notice, inspect all financial books and business records, facilities, offices and properties of the Company and its Subsidiaries at reasonable times and intervals; provided, however, that the Company may restrict or otherwise prohibit access to (A) any portion of any documents or information to the extent that (x) any applicable law requires the Company or any of its Subsidiaries to restrict or otherwise prohibit access to such portion of any documents or information, (y) access to such portion of such documents or information would result in the waiver of attorney-client privilege, work product doctrine or other applicable privilege applicable to such portion of documents or information or (z) such portion of any documents or information includes confidential intellectual property, including trade secrets, or (B) any contract, agreements or other documents of the Company or any of its Subsidiaries to the extent such access would violate or cause a material default under, or give a third party the right to terminate or accelerate the rights under, such contract, agreement or other document. In the event that the Company does not provide access or information in reliance on the proviso in the preceding sentence, it shall use its reasonable best efforts to communicate the applicable information to such Shareholder in a way that would not violate the applicable law, contract, agreement, document or obligation, waive such a privilege or disclose such confidential intellectual property or trade secret.

(b) Without limiting the rights set forth in Section 9(a), for so long as a Shareholder Beneficially Owns at least 20% of the outstanding Ordinary Shares, Senior Management shall provide each Shareholder (i) the proposed annual budget of the Company for any fiscal year at least sixty (60) days before such proposed annual budget is submitted to the Board for approval (such proposed annual budget as approved by the Board, the "Approved Annual Budget") and (ii) any proposed material amendment to, or deviation from, the Approved Annual Budget (it being understood that any immediate or future capital expenditure, in one or more installments, not included in the Approved Annual Budget that would be in excess of $10 million shall constitute such a material amendment or deviation) at least thirty (30) days before such proposed material

amendment or deviation is submitted to the Board for approval. During such sixty (60)-day period or thirty (30)-day period, as applicable, members of Senior Management shall, upon a Shareholder's reasonable request and subject to the other provisions of this Section 9, provide such Shareholder any information reasonably requested by such Shareholder and necessary for such Shareholder's review of such proposed annual budget or material amendment or deviation of the Approved Annual Budget, as applicable, and meet with representatives of such Shareholder at mutually agreeable times to discuss, and consult with respect to, such proposed annual budget or proposed material amendment to, or deviation from, the Approved Annual Budget, as applicable. The Company agrees to give due consideration in good faith to the advice given and any proposals made by such Shareholder regarding such proposed annual budget or material amendment or deviation.

(c) Any consultation, meeting, inspection or investigation conducted by a Shareholder pursuant to Section 9(a) or Section 9(b) shall be conducted in a manner that does not unreasonably interfere with the conduct of the business of the Company and its Subsidiaries or create a risk of damage or destruction to any property or assets of the Company or any of its Subsidiaries. Any access to the facilities, offices or properties of the Company and its Subsidiaries granted pursuant to Section 9(a) shall be subject to the Company's reasonable security measures and insurance requirements and shall not include the right to perform invasive testing.

(d) For so long as a Shareholder Beneficially Owns at least 10% of the outstanding Ordinary Shares, the Company shall, subject to Section 10, provide such Shareholder with:

(i) as soon as practicable, and in any event within hundred and twenty (120) days after the end of each fiscal year (or such longer period as would be permitted under the rules and regulations promulgated under the Exchange Act), the audited consolidated financial statements of the Company for such fiscal year, which shall be prepared in accordance with International Financial Reporting Standards ("IFRS") and accompanied by the report of the Company's independent certified public accountants;

(ii) as soon as practicable, and in any event within ninety (90) days, after the end of each fiscal year, a business plan for the Company for the following five fiscal years;

(iii) as soon as practicable, and in any event within fifteen (15) Business Days after the end of each month, the unaudited consolidated financial statements for such month, which shall be prepared in accordance with IFRS; and

(iv) as soon as practicable, and in any event within fifty (50) days after the end of each of the first three fiscal quarters of each fiscal year of the Company, the unaudited consolidated financial statements for such quarter, which shall be prepared in accordance with IFRS;

provided, however, that, in each case of clauses (i), (ii) and (iii), the obligation of the Company to provide such information to such Shareholder shall be deemed satisfied and complied with to the extent such information has been made publicly available (including by filing or disclosing such information as required by applicable securities laws or rules of the stock exchange or stock market on which the Ordinary Shares are listed) within the applicable time period set forth above.

Section 10. Confidentiality. In furtherance of and not in limitation of any other similar agreement a Shareholder may have with the Company, from the Effective Time until the fifth (5th) anniversary of the termination of this Agreement, such Shareholder shall, and shall use its reasonable best efforts to cause each of its Designees to, keep all Confidential Information confidential and not disclose any Confidential Information in any manner whatsoever; provided, that notwithstanding anything to the contrary in this Agreement, Confidential Information may be disclosed by such Shareholder or such Shareholder's Designee(s) (a) to such Shareholder's Affiliates and its and their respective directors, officers, employees and other representatives, in each case, to the extent such Shareholder or such Shareholder's Designee(s) believe in good faith that such Person needs to be provided such Confidential Information to assist such Shareholder in evaluating or reviewing its investment in the Company (provided, that (i) such Person is subject to an obligation to keep such information confidential and (ii) such Shareholder shall be responsible for any breach of this Section 10 by any such Person), (b) to a prospective Transferee who is subject to an obligation to keep such information confidential (provided, that such Shareholder shall be responsible for any breach of this Section 10 by such prospective Transferee) and (c) if such Shareholder has received advice from its legal counsel that it is legally compelled to make such disclosure to comply with applicable law (provided, that prior to making such disclosure pursuant to this clause (c), such Shareholder shall use its reasonable best efforts to preserve the confidentiality of the Confidential Information, including, if permitted by applicable law, (i) consulting with the Company regarding such disclosure, and (ii) if reasonably requested by the Company, assisting the Company, at the Company's sole cost and expense, in seeking a protective order to prevent the requested disclosure, and provided, further, that such Shareholder, its Affiliates or its or their respective directors, officers, employees and other representatives, as the case may be, may disclose only that portion of the Confidential Information that is, based on the advice of its legal counsel, legally required or requested to be disclosed).

Section 11. Compliance.

(a) Each party to this Agreement undertakes and represents to the other parties that as of the date hereof: (i) any contract, license, concession or other asset contributed or likely to be contributed to the Company (or, in the case of the Company, to any of its Subsidiaries) (A) has been or will be procured in compliance with applicable law and (B) has been or will be obtained, and has been or will be transferred to the Company (or, in the case of the Company, to any of its Subsidiaries), without recourse to the use of unlawful payments; and (ii) except as contemplated by this Agreement or as may have been otherwise specified, none of its directors, officers or employees seconded to the Company (or, in the case of the Company, to any of its Subsidiaries) or likely to be involved in the supervision of the Company (or, in the case of the Company, the supervision of any of its Subsidiaries) is a Public Official or a Close Family Member of a Public Official.

(b) In connection with the transactions and activities contemplated by this Agreement, each party to this Agreement: (i) represents that it (and its directors and officers and, in the case of a Shareholder, its Affiliates and the directors and officers of such Shareholder's Affiliates or, in the case of the Company, its Subsidiaries and the directors and officers of such Subsidiaries) has not made, offered or authorized; and (ii) undertakes not to make, offer or authorize, any payment, gift, promise or other benefit, directly or indirectly, to any Person, for the purposes of bribery, or for the use or benefit of a Public Official, political party or any other Person to the extent such payment, gift, promise or benefit would be a violation of applicable Anti-Corruption Laws and Obligations or the undertakings and representations set out in this Section 11(b).

(c) The Company shall, and each Shareholder agrees and undertakes to exercise all of its voting rights to enable the Company to: (i) adopt, implement and comply with policies and procedures based on the principles set out in Schedule A hereto designed to ensure ethical commercial practices and to prevent violations of applicable Anti-Corruption Laws and Obligations, including all types of illegal payments, bribery and corruption; (ii) record and conserve accounting entries which accurately and reasonably reflect all transactions carried out by the Company and its Subsidiaries and the status of their respective assets; and (iii) organize and maintain a system for internally auditing accounting entries which is reasonably sufficient to detect and prevent any illegal payments, bribery or corruption.

Section 12. Duration of Agreement. This Agreement shall terminate automatically with respect to a Shareholder upon the first to occur of the following: (a) the dissolution, liquidation or winding up of the Company (unless the Company continues to exist after such dissolution, liquidation or winding up, including in another form); (b) the first date on which such Shareholder Beneficially Owns less than 10% of the outstanding Ordinary Shares; and (c) upon written agreement by the Company and such Shareholder.

Section 13. Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid, illegal and unenforceable to any extent by any court of law or arbitration tribunal of competent jurisdiction, (i) the remaining provisions of this Agreement shall not be affected thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by applicable law, (ii) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by applicable law and (iii) the application of such provision to other Persons or circumstances or in other jurisdictions shall not be affected thereby.

Section 14. Arbitration. Each party hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement, the transactions contemplated by this Agreement, any provision hereof, the breach, performance, validity or invalidity hereof or for recognition and enforcement of any judgment in respect hereof brought by another party hereto or its successors or permitted assigns will be referred to and finally resolved by binding confidential arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (the "Administered Rules") for the time being in force (which rules are deemed to be incorporated by reference in this Section 14), except

as modified herein. The details of the arbitration will be as set forth in this Section 14. Unless otherwise agreed by the parties hereto in writing, any matter to be decided pursuant to this Section 14 will be decided by a panel of three arbitrators. The panel of three arbitrators will be chosen as follows: (i) within 15 days from the date of the receipt of the arbitration request, the party hereto submitting the arbitration request, on the one hand, and the two other parties hereto, on the other hand, will each name an arbitrator; and (ii) the two party-appointed arbitrators will thereafter, within 30 days from the date on which the second of the three arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that the parties hereto fail to name an arbitrator within 15 days from the date of receipt of the Arbitration Request, then, upon written application by the parties hereto, that arbitrator will be appointed pursuant to the Administered Rules. In the event that the two party-appointed arbitrators fail to appoint the third independent arbitrator within the time frame specified above, then the third, independent arbitrator will be appointed pursuant to the Administered Rules. The arbitration will be conducted in English. Any document that a party hereto seeks to use that is not in English will be provided along with an English translation. The seat of arbitration will be Singapore.

Section 15. Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the laws of the Singapore without regard to rules of conflicts of laws.

Section 16. Share Dividends, Etc. The provisions of this Agreement shall apply to any and all shares of the Company or any successor or assignee of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution for the Ordinary Shares, by reason of any share dividend, split, reverse split, combination, recapitalization, reclassification, merger, consolidation or otherwise in such a manner and with such appropriate adjustments as to reflect the intent and meaning of the provisions hereof and so that the rights, privileges, duties and obligations hereunder shall continue with respect to the shares of the Company as so changed.

Section 17. Benefits of Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and each of their respective successors and permitted assigns. Except as otherwise expressly provided herein, no Person not a party to this Agreement, as a third-party beneficiary or otherwise, shall be entitled to enforce any rights or remedies under this Agreement. For the avoidance of doubt, in no event shall any holder of common stock or any other voting securities of either Shareholder, in each case in their capacity as such, have any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. Independent Director Approval shall be sufficient, but (subject to Section 3(c)) not required or necessary, for the Company to exercise any or all of its rights under this Agreement (including any remedies available to the Company hereunder), or to enforce any or all obligations of the other parties hereto.

Section 18. Notices.

(a) All notices or other communications which are required or permitted hereunder shall be in writing and shall be deemed to have been given and received if (a) personally delivered, (b) sent by facsimile (with written confirmation of completed transmission) or by electronic mail (with confirmation of receipt by the recipient, which confirmation shall be promptly delivered by the recipient if so requested by the sender in

the applicable notice or other communication) or (c) sent by internationally recognized overnight courier, in each case, addressed as follows:

(i) If to the Company, to:

Maxeon Solar Technologies, Ltd.
8 Marina Boulevard #05-02
Marina Bay Financial Center, 018981
Singapore
Attn: Jeff Waters, Chief Executive Officer
Email: Jeff.Waters@sunpower.com with copies

(which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
USA
Attn: Eric M. Swedenburg
Sebastian Tiller
Email: eswedenburg@stblaw.com
stiller@stblaw.com
Facsimile: +1 (212) 455-2502

and

Jones Day
250 Vesey Street
New York, New York 10281
USA
Attention: Randi C. Lesnick
Email: rclesnick@JonesDay.com

and

Jones Day
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
USA
Attention: Erin S. de la Mare
Email: esdelamare@JonesDay.com

(ii) If to Total, to:

Total Solar INTL
2 place Jean Millier-Arche Nord Coupole/Regnault

92078 Paris La Défense Cedex
France
Attn: Jean-Charles Arrago
Email: Jean-charles.arrago@total.com

with copies (which shall not constitute notice) to:

Latham & Watkins LLP
45, rue Saint-Dominique
Paris, France 75007
Attn: Olivier du Mottay, Ryan Maierson
Email: Olivier.duMottay@lw.com, Ryan.Maierson@lw.com

(iii) If to TZS, to:

ZHONGHUAN SINGAPORE INVESTMENT AND
DEVELOPMENT PTE. LTD.
[●]
Attn: [●]
Email: [●]
Facsimile: [●]

with copies (which shall not constitute notice) to:

[●]
[●]
Attn: [●]
Email: [●]
Facsimile: [●]

(b) Any such communication shall be deemed to have been received (a) when delivered, if personally delivered or sent by internationally recognized, overnight courier and (b) when delivered by facsimile or electronic mail, if such notice is sent prior to 5:00 P.M. in the time zone of the receiving party, on the date sent and, if such notice is sent after 5:00 P.M. in the time zone of the receiving party, on the Business Day after the date on which such notice is sent.

Section 19. Modification; Waiver. This Agreement may be amended, modified or supplemented only by a written instrument duly executed by the Company and each Shareholder. No course of dealing between the Company or its Subsidiaries and any Shareholder or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party hereto to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 20. Entire Agreement. Except as otherwise expressly provided herein, this Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith, from and after the Effective Time.

Section 21. Assignment. This Agreement shall not be assigned or delegated by any party hereto without the prior written consent of the other parties hereto; provided that any Shareholder may assign or delegate this Agreement to an Affiliate of such Shareholder to which such Shareholder has Transferred Ordinary Shares if such Affiliate has agreed in writing to be bound by the terms of this Agreement as a Shareholder to the extent and for the duration that such terms remain in effect. Any purported assignment or delegation in violation of this Section 21 shall be void and of no effect.

Section 22. Specific Performance. Each party to this Agreement acknowledges that in addition to a right to damages, a remedy at law for any breach or attempted breach of this Agreement may be inadequate, and agrees that each other party to this Agreement shall be entitled to seek specific performance and injunctive and other equitable relief in case of any such breach or attempted breach.

Section 23. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts taken together shall constitute but one agreement.

Section 24. Other Agreement. None of the Shareholders shall enter into any understanding, arrangement or agreement of any kind with any Person (including the other Shareholder) with respect to, directly or indirectly, any Voting Securities which is inconsistent with the provisions of this Agreement.

Section 25. Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and other documents as any other party hereto reasonably may request in order to carry out the provisions of this Agreement and the consummation of the transactions contemplated hereby.

Section 26. Effectiveness of this Agreement. This Agreement shall become automatically effective as of the Effective Time. To the extent the Closing does not occur, the provisions of this Agreement shall be without any force or effect and shall create no rights or obligations on the part of any party hereto.

[*Signature Page Follows*]

The parties hereto have signed this Agreement as of the date first written above.

Maxeon Solar Technologies, Ltd.

By: _____
Name:
Title:

Total Solar INTL SAS

By: _____
Name:
Title:

ZHONGHUAN SINGAPORE INVESTMENT AND DEVELOPMENT PTE. LTD.
中环新加坡投资发展私人有限公司

By: _____
Name:
Title:

Schedule A

The following sets out the key principles of the Company's compliance program and policies to be adopted and implemented to ensure compliance with applicable Anti-Corruption Laws and Obligations in connection with projects, activities and operations of the Company and its Subsidiaries.

1. Prohibited Conduct

All activities of the Company and its Subsidiaries must be undertaken consistent with the requirements of applicable Anti-Corruption Laws and Obligations.

2. Designation of Compliance personnel

The Company shall have a Compliance and Ethics Officer responsible for overseeing the development, adequate resourcing and staffing of, communication, implementation and enforcement of the Company's compliance and ethics ("compliance") program and its related policies.

3. Development and implementation of a compliance risk mapping process

The Company shall undertake periodic compliance risk mapping to identify key risk points with respect to the Company's and its Subsidiaries' operations complying with applicable Anti-Corruption Laws and Obligations.

4. Compliance policies

The Company shall develop, implement and maintain compliance policies and procedures at least equivalent to the Total group compliance program. These shall include:

(i) Code of Conduct – a functional document applicable to all activities of the Company and its Subsidiaries, establishing the Company's zero tolerance for corruption, fraud, anti-trust violations and influence peddling;

(ii) A risk-based third party due diligence policy and procedures, which may include a formal Anti-Corruption Policy;

(iii) Gifts, Hospitality, Donations and Corporate Social Responsibility Activities;

(iv) Conflicts of Interest and Human Resources;

(v) The Company will assess the need for additional compliance policies necessary to ensure that the activities of the Company and its Subsidiaries are in compliance with applicable Anti-Corruption Laws and Obligations.

5. **Risk-based compliance training and communication**

The Company shall ensure that training is delivered in order that compliance risks are understood and properly managed.

6. **Mechanisms for reporting and responding to allegations or evidence of misconduct**

The Company will implement adequate reporting mechanisms to allow for the reporting of concerns and/or violations. Such mechanisms should be consistent with local law and ensure that individuals are appropriately protected and do not suffer any retaliation. The Company will also ensure that reports are properly and timely investigated, and formulate appropriate and effective responses to credible evidence of misconduct (including, but not limited to, disciplinary sanctions, where necessary).

FORM OF

TAX MATTERS AGREEMENT

BETWEEN
SUNPOWER CORPORATION
AND
MAXEON SOLAR TECHNOLOGIES, LTD.
DATED AS OF [•]

FORM OF TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this "**Agreement**") is entered into as of [•], 2020, by and among SunPower Corporation, a Delaware corporation ("**RemainCo**") and Maxeon Solar Technologies, Ltd., a Singapore public limited company ("**SpinCo**"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Investment Agreement.

RECITALS

WHEREAS, the Board of Directors of RemainCo has determined that it would be appropriate and desirable to completely separate the SpinCo Business from RemainCo;

WHEREAS, pursuant to the Separation and Distribution Agreement, RemainCo and SpinCo have agreed to separate the SpinCo Business from RemainCo by means of the Contribution, which will be followed by the Distribution;

WHEREAS, RemainCo and SpinCo intend that the Distribution qualifies for non-recognition of gain or loss (and no inclusion of income) to the RemainCo shareholders under Section 355 of the Code for U.S. federal income tax purposes (the "**Tax-Free Status**");

WHEREAS, the SpinCo Business was conducted directly by RemainCo prior to the Contribution;

WHEREAS, the Parties desire to provide for and agree upon the allocation between the Parties of liabilities for certain Taxes arising prior to, as a result of, and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes;

NOW THEREFORE, in consideration of the mutual agreements contained herein, the Parties hereby agree as follows:

1. Defined Terms.

1.1 *General*. For purposes of this Agreement (including the Recitals), the following terms have the following meanings:

"Active Trade or Business" means either the RemainCo Active Trade or Business or the SpinCo Active Trade or Business, as applicable.

"Adjustment Request" means any claim or request filed with any Tax Authority for the adjustment, refund, or credit of Taxes, including (i) any adjustment pursuant to an amended Tax Return and (ii) any claim for a refund or credit of Taxes.

"Affiliate" means any entity that is directly or indirectly "controlled" by either the person in question or an Affiliate of such person. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise. The term Affiliate shall refer to Affiliates of a person as determined at the relevant time for the determination, *provided* that, for the period from and after the Distribution: (i) no member of the RemainCo Group shall be deemed an Affiliate of the SpinCo Group and no member of the SpinCo Group shall be deemed an Affiliate of the RemainCo Group, (ii) neither Shareholder nor Investor shall be considered an Affiliate of either SpinCo or RemainCo and (iii) no Person shall be considered an Affiliate of either SpinCo or RemainCo based on any direct or indirect control by Shareholder or Investor, or of Shareholder or Investor.

"Agreement" has the meaning set forth in the Preamble.

"Business Day" has the meaning set forth in the Investment Agreement.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Contribution" means the transfer and contribution (directly or indirectly) of the assets comprising the SpinCo Business by RemainCo to SpinCo solely in exchange for 100% of the issued and outstanding SpinCo Common Stock, obligations and property of SpinCo and its Affiliates, if any, and the assumption by SpinCo of liabilities relating to such assets and the SpinCo Business, if any, pursuant to the Separation and Distribution Agreement.

"**Controlling Party**" has the meaning set forth in Section 8.2(c).

"Distribution" means the distribution by RemainCo of all of the SpinCo Common Stock held by RemainCo to RemainCo's shareholders pursuant to the Separation and Distribution Agreement.

"Distribution Date" means the date on which the Distribution occurs.

"Employee Matters Agreement" means the Employee Matters Agreement by and among RemainCo and SpinCo dated as of [•], 2019.

"Final Determination" means the final resolution of liability for any Income Tax or Other Tax for any Tax Period by or as a result of (i) a final and unappealable decision, judgment, decree or other order of a court of competent jurisdiction; (ii) a final settlement, compromise or other agreement with the relevant Tax Authority, an agreement that constitutes a determination under Section 1313(a)(4) of the Code, an agreement contained in an IRS Form 870-AD, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under State, local or foreign law; (iii) the expiration of the applicable statute of limitations; or (iv) payment of such Tax, if assessed by a Tax Authority, pursuant to an agreement in writing by, as relevant, RemainCo or SpinCo (or any of their Affiliates) to accept such assessment.

"Governmental Authority" has the meaning set forth in the Investment Agreement.

"Group" means the RemainCo Group or the SpinCo Group, or both, as the context requires.

"Income Tax" means (i) any Tax imposed by Subtitle A of the Code; (ii) any Tax imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country or United States possession, that is an income tax as defined in Treasury Regulation Section 1.901-2; and (iii) any Tax imposed by any State of the United States or by any political subdivision of any such State which is based upon, measured by, or calculated with respect to: (x) net income or profits or net receipts, however denominated (including any capital gains, minimum Tax, or any Tax on items of Tax preference, but not including sales, use, real or personal property, value added, escheat, excise (other than excise taxes based on or measure by net income, receipts, or earnings), goods and services, customs or transfer or similar Taxes) or (y) multiple bases (including franchise, doing business and occupation Taxes) if one or more bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (x).

"Investment Agreement" means the Investment Agreement by and among RemainCo, SpinCo, Total International SAS, a French société par actions simplifiée (**"Shareholder"**), and Tianjin Zhonghuan Semiconductor Co., Ltd., a People's Republic of China joint stock limited company (**"Investor"**), dated as of [•], 2019.

"IRS" means the United States Internal Revenue Service.

"Non-Controlling Party" has the meaning set forth in Section 8.2(c).

"Other Tax" means (i) any Tax (other than Income Taxes) imposed by the Code; (ii) any Tax imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country or United States possession (other than any Income Taxes); and (iii) any Tax imposed by any State of the United States or by any political subdivision of any such State (other than any Income Taxes), including, for the avoidance of doubt, sales, use, real or personal property, value added, escheat, excise, goods and services, customs, or transfer or similar Taxes.

"Past Practices" has the meaning set forth in Section 3.2(a).

"Payment Date" means (i) with respect to any Tax Return for U.S. federal income tax purposes, the due date for any required installment of estimated taxes determined under Section 6655 of the Code, the due date (determined without regard to extensions) for filing the Return determined under Section 6072 of the Code, and the date the Return is filed; and (ii) with respect to any other Tax Return, the corresponding dates determined under the applicable Tax Law.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal income tax purposes.

"Post-Distribution Period" means any Tax Period beginning after the Distribution Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Distribution Date.

"Pre-Distribution Period" means any Tax Period ending on or before the Distribution Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending on the Distribution Date.

"Prime Rate" means the base rate on corporate loans charged by [JPMorgan Chase Bank, N.A.] from time to time, compounded daily on the basis of a year of 365 or 366 (as applicable) days and actual days elapsed.

"RemainCo" shall have the meaning set forth in the first sentence of this Agreement.

"RemainCo Active Trade or Business" means the active conduct (within the meaning of Section 355(b)(2) of the Code and the Treasury Regulations thereunder) by the RemainCo Group of the Remaining Business as conducted immediately prior to the Spin-Off.

"RemainCo Adjustment" means any proposed adjustment by a Tax Authority or claim for refund or credit asserted in a Tax Contest to the extent that, under this Agreement, RemainCo would be exclusively liable for any resulting Tax or exclusively entitled to receive any resulting Tax Benefit.

"RemainCo Carryback" means any net operating loss, net capital loss, excess tax credit, or other similar Tax Attribute of any member of the RemainCo Group which may or must be carried from one Tax Period to another prior Tax Period under the Code or other applicable Tax Law.

"RemainCo Group" means RemainCo and each Person that is a Subsidiary of RemainCo (other than SpinCo and any other member of the SpinCo Group).

"**RemainCo Group Tax Return**" means any Tax Return actually required to be filed by RemainCo or a member of the RemainCo Group.

"Remaining Business" means any business conducted by RemainCo and its Affiliates prior to the Distribution other than the SpinCo Business, and all business conducted by RemainCo and its Affiliates after the Distribution.

"Representation Letters" means the representation letters delivered or deliverable by RemainCo and SpinCo (and their officers) in connection with the rendering by Tax Advisors of the Tax Opinion.

"Responsible Company" means, with respect to any Tax Return, the Company having the primary responsibility for preparing and filing such Tax Return under this Agreement.

"**Restricted Actions**" means, with respect to SpinCo, the actions listed in Sections 2.5(a) and (b) and, with respect to RemainCo, the actions listed in Sections 2.6(a) and (b).

"Ruling" means a private letter ruling or other Tax related guidance issued by the IRS or other Governmental Authority to RemainCo, SpinCo, or any of their Affiliates regarding Taxes.

"Ruling Request" means any letter or other submission filed by RemainCo, SpinCo, or any of their Affiliates with the IRS or other Governmental Authority requesting a Ruling (including all attachments, exhibits, and other materials submitted with such ruling request letter) and any amendment or supplement to such ruling request.

"Separation and Distribution Agreement" means the Separation and Distribution Agreement by and among RemainCo and SpinCo dated as of [•], 2019.

"Shareholders Agreement" means the Shareholders Agreement by and among SpinCo, Shareholder, Investor, and certain other parties.

"Spin-Off" means the Contribution and the Distribution.

"SpinCo" has the meaning set forth in the Preamble.

"SpinCo Active Trade or Business" means the active conduct (within the meaning of Section 355(b)(2) of the Code and the Treasury Regulations thereunder) by SpinCo of the SpinCo Business as conducted immediately prior to the Spin-Off.

"SpinCo Adjustment" means any proposed adjustment by a Tax Authority or claim for refund or credit asserted in a Tax Contest to the extent that, under this Agreement, SpinCo would be exclusively liable for any resulting Tax or exclusively entitled to receive any resulting Tax Benefit.

"SpinCo Assets" means the assets contributed and transferred, directly and indirectly, by RemainCo to SpinCo in the Contribution.

"SpinCo Business" means (a) the businesses, operations and activities of or relating to developing, manufacturing other than within the United States and Canada, selling, marketing and importing/exporting products and services associated with solar cells, solar panels and solar systems conducted at any time prior to the effective time of the Distribution by Parent, SpinCo or any of their respective current or former Subsidiaries, (b) the businesses, operations and activities of any member of the SpinCo Group conducted at or after the effective time of the Distribution, and (c) any terminated, divested or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations or activities described in clause (a) as then conducted.

"SpinCo Carryback" means any net operating loss, net capital loss, excess tax credit, or other similar Tax Attribute of any member of the SpinCo Group which may or must be carried from one Tax Period to another prior Tax Period under the Code or other applicable Tax Law.

"SpinCo Common Stock" means the single class of authorized and outstanding common stock of SpinCo immediately after the Distribution.

"SpinCo Group" means (a) prior to the effective time of the Distribution, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the effective time of the Distribution, including the Transferred Entities (as defined in the Separation and Distribution Agreement), even if, prior to the effective time of the Distribution, such Person is not a Subsidiary of SpinCo; and (b) at and after the effective time of the Distribution, SpinCo and each Person that is a Subsidiary of SpinCo.

"**SpinCo Group Tax Return**" means any Tax Return actually required to be filed by SpinCo or a member of the SpinCo Group.

"Straddle Period" means any Tax Period that begins on or before and ends after the Distribution Date.

"Tax" or **"Taxes"** means (i) any income, capital gain or loss, franchise, profits, gross receipts, estimated, ad valorem, net worth, transfer, value added, sales, use, real or personal property, payroll, withholding, employment, social security, excise, stamp, registration, alternative, add-on minimum, unclaimed property, escheat or other tax of whatever kind (including any fee, assessment or other charges in the nature of or in lieu of any tax) payable to any Tax Authority or other Governmental Authority and (ii) any interest, fines, penalties or additions imposed with respect thereto.

"Tax Adjustment" means an adjustment of any item of income, gain, loss, deduction, credit or other Tax Attribute.

"Tax Advisor" means an independent tax counsel or an accounting firm of recognized national standing in the United States or other applicable jurisdiction that imposes the Tax in respect of which advice is rendered or an opinion is delivered, *provided* that, for the avoidance of doubt, if acceptable to the Parties, the Tax Advisor for a matter can be the auditor of any of the Parties.

"Tax Attribute" means a net operating loss, net capital loss, investment credit, foreign tax credit, excess charitable contribution, general business credit or any other Tax Item that could reduce a Tax.

"Tax Authority" means, with respect to any Tax, the Governmental Authority that imposes such Tax, and the agency (if any) charged with the administration, assessment, or collection of such Tax for such Governmental Authority.

"Tax Benefit" means any refund, credit, or other reduction in Taxes.

"Tax Contest" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

"Tax-Free Status" has the meaning set forth in the Recitals.

"Tax Item" means, with respect to any Income Tax, any item of income, gain, loss, deduction, or credit.

"Tax Law" means any law, statute, code, regulation, rule, ordinance, policy, guideline, decision, decree, order, ruling or other requirement of any Governmental Authority relating to any Tax.

"Tax Materials" means the Representation Letters and any other materials delivered or deliverable by Investor, RemainCo, SpinCo, Shareholder or any other member of their respective Group, if applicable, in connection with the rendering by a Tax Advisor of the Tax Opinion.

"Tax Matters Dispute" has the meaning set forth in Section 12.1.

"Tax Opinion" means the opinions of Ernst & Young LLP and Jones Day deliverable to RemainCo relating to the Tax-Free Status of the Spin-Off.

"Tax Period" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

"Tax Records" means any Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests, and any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

"Tax Return" or **"Return"** means any return or report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar return, report, statement, declaration, or document required to be filed under the Code or other Tax Law, including any attachments, schedules, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Transfer Taxes" means all sales, use, transfer, recordation, documentary, stamp or similar Other Taxes.

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

(b) Interpretation. For purposes of this Agreement: (i) RemainCo, SpinCo, and the subsidiaries thereof, are sometimes referred to herein as the **"Companies"** or the **"Parties"** and, as the context requires, individually referred to herein as a **"Company"** or a **"Party"**; (ii) words "**include**", "**includes**" and "**including**" shall be deemed to be followed by the phrase "without limitation"; (iii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iv) the words "**herein**", "**hereof**" and "**hereunder**", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; (v) except as otherwise provided (e.g., with respect to references to the Code), all references herein to a "**Section**" or "**Sections**" shall be construed to refer to Sections of this Agreement; (vi) the headings and captions for this Agreement are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this

Agreement; and (vii) if any period referred to herein expires on a day which is not a Business Day, or any event or condition is required by the terms of this Agreement to occur or be fulfilled (including the making of any payment required hereunder) on a day which is not a Business Day, such period shall expire on or such event or condition shall not be required to occur or be fulfilled until, as the case may be, the next succeeding Business Day.

2. Allocation of and Indemnification for Tax Liabilities.

2.1 *General Rule.*

(a) *RemainCo Liability.* RemainCo shall be liable for, and shall indemnify and hold harmless the SpinCo Group from and against any and all liability for, Taxes that are allocated to RemainCo under this Section 2 (including any increase in such Tax as a result of a Final Determination, and, any Taxes specified on Schedule A).

(b) *SpinCo Liability.* SpinCo shall be liable for, and shall indemnify and hold harmless the RemainCo Group from and against any and all liability for, Taxes that are allocated to SpinCo under this Section 2 (including any increase in such Tax as a result of a Final Determination, and, any Taxes specified on Schedule B).

(c) *Allocation of Taxes.* Except as provided in Section 2.2, Taxes shall be allocated as follows: RemainCo shall be responsible for any and all Taxes due with respect to or required to be reported on any RemainCo Group Tax Return. SpinCo shall be responsible for any and all Taxes due with respect to or required to be reported on any SpinCo Group Tax Return. Any Taxes paid on behalf of any Retained Employee or any Parent Former Employee, as those terms are used in the Employee Matters Agreement, shall be governed by Section 7.3 of that Agreement.

(d) *Payments.* To the extent that RemainCo or any of its respective Group members, on the one hand, or SpinCo or any of its respective Group members, on the other hand, pay Taxes allocable to the other party under this Section 2.1, such other party shall reimburse the first party for the payment of such Taxes, with such reimbursement being payable within five (5) Business Days after written request, and shall be treated in the manner set forth in Section 11.

(e) *Certain Transfer Taxes.* The Parties agree that any and all (1) Transfer Taxes imposed in connection with the transfer of the SpinCo Assets from RemainCo to SpinCo pursuant to (i) the Contribution and (ii) the Distribution and (2) Swiss withholding Taxes arising from the distribution, by SunPower Systems Sarl to SunPower Bermuda Holdings LP, of its intercompany receivable (owed by SunPower to SunPower Systems Sarl) shall be borne by RemainCo. RemainCo shall determine the manner in which any Transfer Taxes and any corresponding transactions are reported for Tax purposes, including any position that no Transfer Taxes are due and payable and, unless otherwise required pursuant to a Final Determination, no member of the SpinCo Group shall take any action that is inconsistent with the manner in which such Transfer Taxes are reported. The Companies shall reasonably cooperate to minimize Transfer Taxes. RemainCo shall file (or cause to be filed) all necessary documentation with respect to such Transfer Taxes on a timely basis; *provided* that the SpinCo Group shall cooperate with the preparation of any such documentation and, to the extent required by applicable Tax law, will timely file such documentation.

2.2 *Spin-Off Taxes*.

(a) *SpinCo Liability.* SpinCo shall be liable for, and shall indemnify and hold harmless RemainCo and its Affiliates and each of its respective officers, directors and employees from and against any and all liability for any Tax, liability, all professional fees and court costs imposed in connection with such Tax, and all costs, expenses and damages associated with stockholder litigation or controversies, resulting from any act or failure to act by SpinCo or any SpinCo Affiliate which constitutes a Restricted Action.

(b) *RemainCo Liability.* RemainCo shall be liable for, and shall indemnify and hold harmless SpinCo and its Affiliates and each of its respective officers, directors and employees from and against any and all Tax, liability, all professional fees and court costs imposed in connection with such Tax, and all costs, expenses and damages associated with stockholder litigation or controversies, resulting from any act or failure to act by RemainCo or any RemainCo Affiliate which constitutes a Restricted Action.

(c) *Payments.* Payments under this Section 2.2 shall be paid by SpinCo or RemainCo, as applicable, to the indemnified Party, with such indemnity being payable within five (5) Business Days after receipt of written request, and shall be treated in the manner set forth in Section 11.

2.3 *[Reserved]*

2.4 *Tax Opinion and Tax Materials.*

(a) Each Company represents that it has reviewed the Tax Materials and, subject to any qualifications therein, all information contained in such Tax Materials will be true, correct and complete, from the time presented or made through the Distribution Date and thereafter as relevant, it is unaware of any fact or other circumstance that is inconsistent with such Tax Materials, and no member of such Company's Group, if applicable, or any other of its Affiliates has any plan or intention to take any action or fail to take any action if such action or failure to act would be inconsistent with such Tax Materials.

2.5 *Restrictions on SpinCo.* The following actions or omissions listed in Sections 2.5(a) and (b) shall constitute Restricted Actions in respect of SpinCo.

(a) *General.* SpinCo taking, failing to take, or permitting any SpinCo Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any information, statement, representation, undertaking or covenant in the Tax Materials or in the Tax Opinion.

(b) *Active Trade or Business.* SpinCo failing to continue to be engaged in the SpinCo Active Trade or Business for purposes of Section 355(b)(2) of the Code, taking into account Section 355(b)(3) of the Code at any time from the date hereof until the first day after the two-year anniversary of the Distribution Date.

2.6 *Restrictions on RemainCo.* The following actions listed in Sections 2.6(a) and (b) shall constitute Restricted Actions in respect of RemainCo.

(a) *General*. RemainCo taking, failing to take, or permitting any RemainCo Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any information, statement, representation, undertaking or covenant in the Tax Materials or in the Tax Opinion.

(b) *Active Trade or Business.* RemainCo failing to continue to be engaged in the RemainCo Active Trade or Business for purposes of Section 355(b)(2) of the Code, taking into account Section 355(b)(3) of the Code at any time from the date hereof until the first day after the two-year anniversary of the Distribution Date.

3. Preparation and Filing of Tax Returns.

3.1 *Responsibility for Preparation.* Subject to the other provisions of this Section 3, SpinCo Group Tax Returns and RemainCo Group Tax Returns shall be prepared and filed when due (including extensions) by the Company that is obligated to file such Tax Returns under the Code or other applicable Tax Law.

3.2 *Preparation of Tax Returns.*

(a) *General Rule.* Except as provided in Section 3.2(b), with respect to any Tax Return of any member of the RemainCo Group or the SpinCo Group for a Tax Period ending on or before the Distribution Date or any Straddle Period, such Tax Return shall be prepared in accordance with past practices, accounting methods, elections or conventions used with respect to the Tax Returns in question (**"Past Practices"**), unless (i) there is no reasonable basis for the use of such Past Practices, or (ii) any items are not covered by Past Practices, in which case RemainCo shall determine a reasonable Tax accounting practice to use in the preparation of such Tax Returns.

(b) *Reporting of Transactions.* The Tax treatment reported on any Tax Return of a Company that relates to the Spin-Off shall be consistent with the treatment thereof in the Tax Opinion, except as otherwise required by applicable law. To the extent there is a Tax treatment relating to the Spin-Off that is not covered by the Tax Opinion, then the Tax treatment shall be determined by the Responsible Company with respect to such Tax Return and the other Company shall take no position on a Tax Return that is inconsistent with such Tax treatment unless (i) there is no reasonable basis for such Tax treatment, (ii) such Tax treatment is inconsistent with the Tax treatment contemplated in the Tax Opinion, except as otherwise required by applicable law, or (iii) more favorable Tax treatment is available, as confirmed by an opinion of a Tax Advisor (which opinion and Tax Advisor shall be reasonably acceptable to the Responsible Company). Any dispute regarding such proper Tax treatment shall be referred for resolution pursuant to Section 12, sufficiently in advance of the filing date of such Tax Return (including extensions) to permit timely filing of the Tax Return; *provided* that, if the Tax Advisor is not able to render a final decision prior to the due date for filing the applicable Tax Return, such Tax Return shall be initially filed as prepared by the Responsible Company, but reflecting all non-disputed comments provided by the other Companies, and, as promptly as practicable after the Tax Advisor finally resolves the dispute, such Tax Return shall be amended as necessary to reflect the determination of the Tax Advisor.

3.3 *Amended Tax Returns, Carrybacks and Claims for Refund*

(a) *SpinCo Amended Tax Returns, SpinCo Carrybacks and Claims for Refund.* If SpinCo or any Affiliate of SpinCo makes or files any Adjustment Request with respect to any Pre-Distribution Period that results, by reason of such request, in any Tax (or use of Tax Attributes) imposed on (or by) RemainCo or a member of the RemainCo Group, such Tax (or the amount of Tax that would be due absent such Tax Attributes) shall be treated as Tax allocable to SpinCo under Section 2.1(b), and if SpinCo or any of its Affiliates makes or files any claim related to a SpinCo Carryback to any Pre-Distribution Period that results in any Tax (or use of Tax Attributes) imposed on (or by) RemainCo or a member of the RemainCo Group members, such Tax (or the amount of Tax that would be due absent such Tax Attributes) shall be treated as Tax allocable to SpinCo under Section 2.1(b).

(b) *RemainCo Amended Tax Returns, RemainCo Carrybacks and Claims for Refund*. If RemainCo or any Affiliate of RemainCo makes or files any Adjustment Request with respect to any Pre-Distribution Period that results, by reason of such request, in any Tax (or use of Tax Attributes) imposed on (or by) SpinCo or a member of the SpinCo Group, such Tax (or the amount of Tax that would be due absent such Tax Attributes) shall be treated as Tax allocable to RemainCo under Section 2.1(a), and if RemainCo or any of its Affiliates makes or files any claim related to a RemainCo Carryback to any Pre-Distribution Period that results in any Tax (or use of Tax Attributes) imposed on (or by) SpinCo or a member of the SpinCo Group members, such Tax (or the amount of Tax that would be due absent such Tax Attributes) shall be treated as Tax allocable to RemainCo under Section 2.1(a).

3.4 *Basis of Transferred Assets and Apportionment of Other Tax Attributes.* As soon as reasonably practicable following the Distribution Date, RemainCo shall notify SpinCo in writing of the adjusted Tax basis of the assets transferred to SpinCo in the Contribution and the portion, if any, of any earnings and profits, overall foreign loss or other Tax Attribute from Pre-Distribution Periods, including consolidated, combined or unitary Tax Attributes, which RemainCo determines shall be allocated or apportioned to SpinCo under applicable Tax Law. RemainCo shall provide reasonable timely updates to SpinCo of the adjusted Tax basis of assets and the allocation of Tax Attributes as RemainCo finalizes Tax Returns for the RemainCo Group and as adjustments, if any, are subsequently made to such Tax Returns. SpinCo and all members of the SpinCo Group shall prepare all Tax Returns in accordance with such written notice. As soon as practicable after receipt of a written request from SpinCo, RemainCo shall provide copies of any studies, reports, and workpapers supporting the adjusted Tax basis of the transferred assets and other Tax Attributes allocable to SpinCo. Any dispute regarding the adjusted Tax basis and apportionment of any other Tax Attribute shall be resolved pursuant to the provisions of Section 12. All Tax Returns prepared by the RemainCo Group and the SpinCo Group shall be consistent with the adjusted Tax basis and any allocation or apportionment as determined pursuant to this Section 3.4. Notwithstanding anything to the contrary herein, SpinCo shall not have access to or the right at any time to examine the Tax Returns, Tax work papers, financial statements or books and records of RemainCo or any of its Affiliates (other than of SpinCo and its Affiliates for a Pre-Distribution Tax Period).

4. Tax Payments.

4.1 *Payment of Taxes with Respect to Any Group Return.* RemainCo shall pay or cause to be paid to the IRS or other applicable Tax Authority any Tax due with respect to any RemainCo Group Tax Return and SpinCo shall pay or cause to be paid to the IRS or other applicable Tax Authority any Tax due with respect to any SpinCo Group Tax Return; *provided*, that Section 2.2(c) shall apply with respect to payments made by any Party by reason of such Party's violation of Section 2.4.

4.2 *[Reserved]*

4.3 *[Reserved]*

5. Tax Benefits.

5.1 *General.* Except as set forth below, RemainCo shall be entitled to any refund or portion thereof (and any interest thereon received from the applicable Tax Authority) of Taxes for which RemainCo is liable hereunder, SpinCo shall be entitled to any refund or portion thereof (and any interest thereon received from the applicable Tax Authority) of Taxes for which SpinCo is liable hereunder (except to the extent that such Taxes were paid by a member of the RemainCo Group in a Pre-Distribution Period), and a Company receiving a refund (including by way of credit or offset) to which another Company is entitled (in whole or in part) hereunder shall pay over such refund or portion thereof (net of charges imposed on the Company receiving the refund) to such other Company within 30 days after such refund is received (together with interest computed at the Prime Rate based on the number of days from the date the refund was received to the date the refund was paid over).

5.2 *Reimbursements.* If a member of the SpinCo Group actually realizes in cash any Tax Benefit as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the RemainCo Group is liable hereunder (or to any Tax Attribute of a member of the RemainCo Group) and such Tax Benefit would not have arisen but for such adjustment (determined on a "with and without" basis (treating any such Tax Benefit as the last item claimed for the taxable year, including after the utilization of any available net operating loss carryforwards)), or if a member of the RemainCo Group actually realizes in cash any Tax Benefit as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the SpinCo Group is liable hereunder (or to any Tax Attribute of a member of the SpinCo Group) and such Tax Benefit would not have arisen but for such adjustment (determined on a "with and without" basis (treating any such Tax Benefit as the last item claimed for the taxable year, including after the utilization of any available net operating loss carryforwards)), SpinCo or RemainCo, as the case may be, shall make a payment to either RemainCo or SpinCo, as appropriate, within 30 days following such actual realization of the Tax Benefit, in an amount equal to such Tax Benefit actually realized in cash (including any Tax Benefit actually realized as a result of the payment) plus interest on such amount computed at the Prime Rate based on the number of days from the date of such actual realization of the Tax Benefit to the date of payment of such amount under this Section 5.2. For the avoidance of doubt, a Tax Benefit is actually realized when the amount of Tax payable is reduced below the amount that would otherwise be payable without the Tax Benefit.

5.3 *Cooperation.* If as a result of (x) an assessment by a Tax Authority, (y) an amended Return or (z) otherwise, there is an increase in Taxes for which one Group is liable hereunder because of additional income, reduction in a Tax Attribute or otherwise, then the other Group shall at the request of the first Group file an amended Return or otherwise pursue any Tax Benefits claim available to the other Group as a result of the Tax Adjustment to the first Group, *provided* that the

first Group has furnished the other Group with (i) an opinion of a Tax Advisor reasonably satisfactory to the other Group to the effect that it is at least more likely than not that the other Group will prevail in obtaining Tax Benefits or otherwise reducing the Taxes of the other Group because of the Tax Adjustment to the first Group, and (ii) an acknowledgement that the first Group will reimburse the other Group for all reasonable out-of-pocket expenses incurred by the other Group in connection with making such Tax Benefit claim.

6. Assistance and Cooperation.

6.1 *Assistance and Cooperation.* The Companies shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to RemainCo, SpinCo and their Affiliates including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in relating to Taxes assessed or proposed to be assessed.

6.2 *Tax Return Information*.

(a) *General*. Each of RemainCo and SpinCo shall provide to the other, information and documents relating to its Group reasonably required by the other to prepare Tax Returns, including information concerning any Tax Attributes that were allocated pursuant to this Agreement. Any information or documents that the Responsible Company requires in order to prepare such Tax Returns shall be provided in such form as the Responsible Company reasonably requests and in sufficient time for the Responsible Company to file such Tax Returns on a timely basis.

(b) *Rulings*. If SpinCo or RemainCo requests the assistance of the other Party in obtaining a Ruling, reasonable assistance (including delivery of customary or reasonable representations through an officer's certificate not to be inconsistent with the Tax Materials) will be rendered as expeditiously as possible. The requesting Party shall bear all reasonable out-of-pocket costs and expenses incurred by the other Party in connection with obtaining such a Ruling, with payment due within ten Business Days after receiving an invoice therefor.

6.3 *Confidentiality*. Any information or documents provided under this Section 6 shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. No Party shall be required to provide any other Person with any information and documentation requested under this Section 6 if the provision of such information or documentation would result in a waiver of attorney-client privilege or other applicable privilege or protection or would violate any Law.

7. Tax Records.

7.1 RemainCo shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Distribution Periods. RemainCo shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Distribution Periods until the later of (i) the expiration of any applicable statutes of limitations, or (ii) seven years after the Distribution Date. After such later date occurs, RemainCo may dispose of such Tax Records upon 90 days' prior written notice to SpinCo. SpinCo shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or part of such Tax Records.

7.2 SpinCo shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Distribution Periods. SpinCo shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Distribution Periods until the later of (i) the expiration of any applicable statutes of limitations, or (ii) seven years after the Distribution Date. After such later date occurs, SpinCo may dispose of such Tax Records upon 90 days' prior written notice to RemainCo. RemainCo shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or part of such Tax Records.

8. Tax Contests.

8.1 *Notice*. Within ten days after either of the RemainCo Group or SpinCo Group, becomes aware of the commencement of a Tax Contest that may give rise to Taxes for which another Company is responsible pursuant to this Agreement, such Group shall notify such other Company of such Tax Contest. Such notice shall provide that the notifying Group may seek indemnification from the other Company under this Agreement and shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. A failure of a Group to comply with this Section 8.1 shall not relieve the indemnifying party of its indemnification obligation under this Agreement, except to the extent such failure materially prejudices the ability of the indemnifying party to contest the liability for the relevant Tax or increases the amount of such liability.

8.2 *Control of Tax Contests*.

(a) *In General*. In the case of any Tax Contest, and subject to Sections 8.2(b) and (c), (i) RemainCo shall control any Tax Contest with respect to a RemainCo Adjustment, (ii) SpinCo shall control any Tax Contest with respect to a SpinCo Adjustment, and (iii) with respect to Tax Contests relating to a Straddle Period, to the extent possible, Tax liabilities will be distinguished and each Company shall control the defense and settlement of those Taxes for which it is so liable, although the other Companies shall have the right to participate in such proceedings (at their own expense). To the extent a Tax liability cannot be so attributed, the Company that has the greater potential liability shall control the defense and settlement, although RemainCo shall have the right to participate in such proceedings (at its own expense).

(b) *Tax Contests Relating to Failure to Satisfy the Tax-Free Status*. RemainCo shall have exclusive control over any Tax Contest relating to or involving any failure to qualify for the Tax-Free Status; provided, however, that to the extent SpinCo would be liable under this Agreement for such failure, (i) RemainCo shall keep SpinCo informed in a timely manner of all actions taken or proposed to be taken by RemainCo with respect to such Tax Contest, (ii) SpinCo may participate, at its own expense, in such Tax Contest, (iii) RemainCo shall timely provide SpinCo with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest, and (iv) RemainCo may settle or compromise such Tax Contest without the prior written consent of SpinCo.

(c) *Settlement Rights.* For Tax Contests other than those that are jointly controlled by the Parties pursuant to Section 8.2(a)(iii) or (b), unless waived by the Non-Controlling Party in writing, in connection with any potential adjustment in such Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment (or any payment under Section 5) to the Controlling Party under this Agreement: (i) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (ii) the Controlling Party shall provide the Non-Controlling Party copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (iii) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; (iv) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; (v) the Controlling Party shall defend such Tax Contest diligently and in good faith; and (vi) the Controlling Party shall not settle or compromise such Tax Contest without the prior written consent of the Non-Controlling Party (not to be unreasonably withheld, conditioned or delayed). The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was materially prejudiced by such failure. In the case of any Tax Contest described in clauses (i) and (ii) of Section 8.2(a), "**Controlling Party**" means the Company entitled to control the Tax Contest under such Section and "**Non-Controlling Party**" means the other Company.

(d) *Power of Attorney.* SpinCo shall execute and deliver (or cause any member of the SpinCo Group to deliver), and RemainCo shall execute and deliver (or cause any member of the RemainCo Group to deliver), any power of attorney or other similar document reasonably requested by the other Party that is the Controlling Party in connection with any Tax Contest described in this Section 8.

(e) *Cooperation.* The Parties will cooperate and act in good faith with each other in the conduct of Tax Contests as reasonably requested by either of them, including (i) the retention and provision on a timely basis of books, records, documentation or other information relating to such Tax Contest, (ii) the filing or execution of any document that may be necessary or reasonably helpful in connection with the Tax Contest, (iii) the use of commercially reasonable efforts to obtain any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the Tax Contest and (iv) the making of its employees and facilities reasonably available on a mutually convenient basis to facilitate such cooperation.

9. Effective Date. This Agreement shall be effective as of the Distribution Date.

10. Survival. This Agreement shall remain in force and be binding so long as the applicable period for assessments or collections of Tax or the right to claim or use any Tax Benefit (including extensions) remains unexpired for any Taxes or Tax Benefits contemplated by, or indemnified against in, this Agreement plus two years; *provided* that to the extent a claim for indemnification is made prior to the expiration of this Agreement, this Agreement shall survive until such claim is finally resolved.

11. Treatment of Payments.

11.1 *General.* In the absence of any change in Tax treatment under the Code or other applicable Tax Law, any indemnity payment between SpinCo and RemainCo made under this Agreement, including pursuant to Section 2 or 4, and any Tax Benefit payment made under this Agreement, including pursuant to Section 5, shall be treated, for all Tax purposes, as made immediately before the Distribution as a distribution (or, as context requires, an assumption of a liability under the Separation and Distribution Agreement or otherwise) by SpinCo to (or from) RemainCo or as a contribution by RemainCo to SpinCo, as appropriate. To the extent any Party makes a payment of interest to another Party relating to a payment of Tax under this Agreement, the interest payment shall be treated as interest expense to the payor and as interest income by the recipient and the amount of such payment shall not be adjusted to take into account any associated Tax Benefit to the payor or increase in Tax to the recipient.

11.2 *After-Tax Basis.* All indemnity payments under this Agreement, including pursuant to Section 2 or 4 shall be (i) increased to take account of any net Tax cost actually incurred by the indemnified party arising from the receipt or accrual of indemnity payments (grossed up for such increase) and (ii) reduced to take account of any net Tax Benefit actually realized by the indemnified party arising from the incurrence or payment of any amount or other loss indemnified against. In computing the amount of any such Tax cost or Tax Benefit, the indemnified party shall be deemed to recognize all other items of income, gain, loss deduction or credit, including the utilization of any available net operating loss carryforwards, before recognizing any item arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any amount or other loss indemnified against hereunder. For purposes of this Section 11.2, an indemnified party shall be deemed to have "actually incurred" or "actually realized" a net Tax cost or a net Tax Benefit to the extent that, and at such time as, the amount of Taxes payable (including Taxes payable on an estimated basis) by such indemnified party is increased above or reduced below, as the case may be, the amount of Taxes that such indemnified party would be required to pay but for the receipt or accrual of the indemnity payment or the incurrence or payment of such amount indemnified against as the case may be. The Parties shall make any adjusting payment between each other as is required under this Section 11.2 within ten (10) days of the date an indemnified party is deemed to have actually realized or actually incurred each net Tax Benefit or net Tax cost. The amount of any increase or reduction hereunder shall be adjusted to reflect any Final Determination with respect to the indemnified party's liability for Taxes and any payments necessary to reflect such adjustment shall be made within ten (10) days of such determination.

12. Disagreements.

12.1 *General Procedures.* The Parties will use commercially reasonable efforts to resolve in an amicable manner all disagreements and misunderstandings connected with their respective rights and obligations under this Agreement (including those, if any, relating to the interpretation, implementation or compliance with the provisions of this Agreement). In furtherance thereof, in the event of any dispute or disagreement with respect to this Agreement (a "**Tax Matters Dispute**") between any member of the RemainCo Group and any member of the

SpinCo Group, the Tax departments of the Parties (and their advisers if requested) shall negotiate in good faith to resolve the Tax Matters Dispute. In the event that such good faith negotiations do not resolve the Tax Matters Dispute, any one of the Parties may by delivering a request in writing to the other subject the Tax Matters Dispute to the procedures set forth in Section 12.2.

12.2 *Tax Advisor Resolution.* In the case of any Tax Matters Dispute governed by this Section 12.2, the disputing Parties shall appoint a Tax Advisor (mutually agreed upon by the Parties) to resolve such dispute. In this regard, the Tax Advisor shall make determinations with respect to the disputed items based solely on representations and factual submissions made by the Parties to the Tax Matters Dispute and their respective representatives, and shall not conduct an independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Tax Advisor to resolve any Tax Matters Dispute submitted no later than thirty Business Days after submission of such dispute to the Tax Advisor, but (unless otherwise mutually agreed by the Parties) in no event later than the due date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Tax Advisor with respect thereto shall be final and conclusive and binding on the Parties. The Tax Advisor shall resolve any and all Tax Matters Disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with Past Practices, except as otherwise required by applicable Tax Law. The Parties shall require the Tax Advisor to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Tax Advisor shall be borne equally by the prevailing Party, on the one hand, and the non-prevailing Party, on the other.

13. Late Payments. Except as otherwise provided in this Agreement, any amount owed by one Party to another Party under this Agreement that is not paid when due shall bear interest from the due date until paid at the Prime Rate plus two percent, compounded semiannually.

14. Expenses. Except as otherwise provided in this Agreement, each Party and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

15. General Provisions.

15.1 *Notices*. All notices, consents, waivers, and other communications required or permitted under this Agreement must be in writing (including by facsimile) and will be deemed to have been duly given when: (a) delivered by hand to the Party to be notified; (b) sent by facsimile if sent during the normal business hours of the Party to be notified, and if not, then on the next Business Day; or (c) received by the Party to be notified, if sent by an internationally recognized overnight delivery service, specifying the soonest possible time and date of delivery, in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses, and facsimile numbers as a Party may designate by notice to the other parties from time to time). All such notices and other communications shall be sent:

if to RemainCo:

SunPower Corporation
51 Rio Robles
San Jose, CA 95134
United States of America Attention: General Counsel Email: legalnotices@sunpower.com
Facsimile: +

with a copy (which shall not constitute notice) to:
Jones Day
250 Vesey Street
New York, NY 10281
United States of America
Attention:
Email:
Attention:
Email:
Facsimile:

if to SpinCo :

Maxeon Solar Technologies, Ltd.
8 Marina Boulevard #05-02
Marina Bay Financial Center, 018981
Singapore

Attention: Jeff Waters, Chief Executive Officer
Email: Jeff.Waters@sunpower.com

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

Attention:
Email:
Attention:
Email:
Facsimile:

15.2 *Amendment and Waivers.* This Agreement may not be amended or modified except by an instrument in writing, consented to in writing by each of the Parties. Each Party may (a) extend the time for performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties of the other Party contained in this Agreement or (c) waive compliance with any of the covenants or conditions for the benefit of such Party contained in this Agreement, *provided* that (i) any such extension or waiver by a Party will be valid only if set forth in a written document signed on behalf of the Party against whom such

extension or waiver is to be effective; (ii) no extension or waiver will apply to any time for performance, inaccuracy in any representation or warranty or noncompliance with any covenant or condition, as the case may be, other than that which is specified in the written extension or waiver and (iii) no failure or delay by a Party in exercising any right or remedy under this Agreement or any of the documents delivered pursuant to this Agreement, and no course of dealing between the Parties, operates as a waiver of such right or remedy, and no single or partial exercise of any such right or remedy precludes any other or further exercise of such right or remedy or the exercise of any other right or remedy.

15.3 *Severability.* If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

15.4 *No Duplication of Payment.* Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall require a Party to make any payment attributable to any indemnification for Taxes or payment of Taxes hereunder, or to any Tax Benefit, for which payment has previously been compensated by such Party hereunder.

15.5 *Counterparts.* This Agreement may be executed and delivered (including by facsimile or portable document format (PDF) transmission) in any number of counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same instrument.

15.6 *Governing Law.* Each Party irrevocably submits to the exclusive personal jurisdiction of the New York Courts for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby or thereby. Each Party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York located in the borough of Manhattan or, if such proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each Party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth in Section 15.1, shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 15.6. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any Proceeding arising out of this Agreement or the transactions contemplated hereby and thereby in the New York Courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such proceeding brought in any New York Court has been brought in an inconvenient forum.

15.7 *Assignment.* Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any Party without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, any Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's assets, or (b) the sale of all or substantially all of such Party's assets; *provided*, *however*, that such assignment shall be effective only if, and as of the time when, the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 15.7 shall release the assigning Party from liability for the full performance of its obligations under this Agreement

15.8 *Subsidiaries.* If, at any time, RemainCo or SpinCo acquires or creates one or more subsidiaries that are includable in the RemainCo Group or the SpinCo Group, as applicable, they shall be subject to this Agreement and all references to the RemainCo Group or the SpinCo Group herein shall thereafter include a reference to such subsidiaries. RemainCo and SpinCo shall each cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Affiliate or subsidiary (direct or indirect) of such Company.

15.9 *Parties in Interest.* This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

15.10 *Currency.* Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein means United States dollars, and all payments hereunder shall be made in United States dollars unless otherwise mutually agreed upon by the Parties.

15.11 *Waiver of Jury Trial*. EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH PARTY: (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15.11.

15.12 *Limitation of Liability*. IN NO EVENT SHALL ANY PARTY BE LIABLE FOR, RESPECTIVELY, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES OR LOST PROFITS, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF THIS AGREEMENT, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

15.13 *Public Announcements.* Each Party agrees that no public release or announcement concerning this Agreement or the other transactions contemplated hereby shall be issued by any Party without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by Applicable Law or by the rules and regulations of any stock exchange upon which the securities of a Party are listed, in which case the Party required to make the release or announcement shall, to the extent practicable, allow the other Party reasonable time to comment on such release or announcement in advance of such issuance.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on its behalf by a duly authorized on the date first set forth above:

SUNPOWER CORPORATION

By: _____
Name:
Title:

MAXEON SOLAR TECHNOLOGIES, LTD.

By: _____
Name:
Title:

Exhibit 4.2

FORM OF EMPLOYEE MATTERS AGREEMENT

BY AND BETWEEN

SUNPOWER CORPORATION

AND

MAXEON SOLAR TECHNOLOGIES, LTD.

DATED AS OF [DATE]

FORM OF EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (this "Agreement"), dated as of **[DATE]** is by and between SunPower Corporation, a Delaware corporation ("Parent"), and Maxeon Solar Technologies, Ltd. a company incorporated under the laws of Singapore ("SpinCo").

RECITALS

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the RemainCo Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis and in accordance with a distribution ratio to be determined by the Parent Board, to the holders of Parent Shares on the Record Date of all the outstanding SpinCo Shares owned by Parent (the "Distribution");

WHEREAS, Parent and SpinCo entered into the Separation and Distribution Agreement (the "Separation and Distribution Agreement"), dated as of **[DATE]**, in order to carry out, effect and consummate the Separation and the Distribution and set forth the principal arrangements between them regarding the terms of the Separation and the Distribution; and

WHEREAS, the Parties desire to provide for and agree upon the allocation between the Parties of the principal employment, compensation, equity plan, and other benefit plan arrangements of each of the Parties and their respective affiliates arising prior to, as a result of, and subsequent to the Separation and the Distribution, and to provide for and agree upon other matters relating to such matters.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms. For the purpose of this Agreement, the following terms shall have the following meanings, and capitalized terms used herein and not otherwise defined in this Article I shall have the respective meanings assigned to them in the Separation and Distribution Agreement.

(a) "Adjusted Parent Award" means an Adjusted Parent RSU Award or Adjusted Parent PSU Award.

(b) "Adjusted Parent PSU Award" means a performance share unit award granted pursuant to a Parent Equity Plan as adjusted in accordance with Section 6.01.

(c) "Adjusted Parent RSU Award" means a restricted stock unit award granted pursuant to a Parent Equity Plan as adjusted in accordance with Section 6.01.

(d) "Affiliate" has the meaning set forth in the Separation and Distribution Agreement. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement, (a) no member of the SpinCo Group will be deemed to be an Affiliate of any member of the RemainCo Group, and (b) no member of the RemainCo Group will be deemed to be an Affiliate of any member of the SpinCo Group.

(e) "Agreement" has the meaning set forth in the Preamble.

(f) "Benefit Plan" means any (i) "employee benefit plan," as defined in ERISA Section 3(3) (whether or not such plan is subject to ERISA); and (ii) employment, compensation, severance, redundancy, salary continuation, bonus, thirteenth month, incentive, retirement, thrift, superannuation, savings, pension, workers' compensation, termination benefit (including termination notice requirements), termination indemnity, other indemnification, supplemental unemployment benefit, profit sharing, deferred compensation, stock ownership, stock purchase, stock option, stock appreciation right, restricted stock, performance stock, "phantom" stock, performance stock unit, restricted stock unit, other equity-based incentive, change in control, paid time off, perquisite, fringe benefit, vacation, disability, life, or other insurance, death benefit, hospitalization, medical, or other compensatory or benefit plan, program, fund, agreement, arrangement, or policy of any kind (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic, currently effective or terminated), and any trust, escrow or similar agreement related thereto, whether or not funded.

(g) "COBRA" means coverage required by Section 4980B of the Code or ERISA Section 601 et. seq.

(h) "Code" means the U.S. Internal Revenue Code of 1986, as amended.

(i) "Collective Bargaining Agreement" means any collective bargaining agreement or labor agreement with a union or a works council, to which any member of the RemainCo Group or the SpinCo Group is a party to.

(j) "Deferred Bonus Plan" means any plan pursuant to which a deferred bonus award has been granted and is outstanding immediately prior to the Distribution Date.

(k) "Distribution" has the meaning set forth in the Recitals.

(l) "Employee" means, as applicable, an employee on the payroll of Parent or any other member of the RemainCo Group or SpinCo or any other member of the SpinCo Group, including any employee absent from work on account of vacation, annual leave, jury duty, funeral leave, personal leave, sickness, short-term disability, long-term

disability or workers' compensation leave (in each case, unless treated as a separated employee for employment purposes), military leave, family leave, parental leave (whether paid or unpaid), pay continuation leave, garden leave, or other approved leave of absence or for whom an obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or Law. A Former Employee is not considered an "Employee" for purposes of this Agreement.

(m) "Employee Recoupment Asset" means an employer's right to repayment from an employee or former employee in respect of a tax equalization payment, sign-on bonus payment, relocation expense payment, tuition payment, reimbursement, loan, or other similar item, including any agreement related thereto.

(n) "Employment Agreement" means an employment contract between a member of the RemainCo Group or the SpinCo Group, as applicable, and an Employee (including a contract in place prior to the Distribution Date or one that takes effect on or after the Distribution Date).

(o) "ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

(p) "First Post-Distribution Trading Day" means, with respect to Parent Shares, the first day on or following the Distribution Date on which "regular-way" trading in Parent Shares is reported on NASDAQ and, with respect to SpinCo Shares, the first day on or following the Distribution Date on which "regular way" trading in SpinCo Shares is reported on NASDAQ.

(q) "Former Employee" means any individual whose employment with Parent and all of its Subsidiaries (including SpinCo and any other member of the SpinCo Group) terminated on or prior to the Distribution Date and for whom no obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or applicable Law.

(r) "Health and Welfare Plan" means any Benefit Plan established or maintained to provide Employees or Former Employees or their beneficiaries, through the purchase of insurance or otherwise, medical, dental, prescription, vision, short-term disability, long-term disability, death benefits, life insurance, accidental death and dismemberment insurance, business travel accident insurance, employee assistance program, group legal services, wellness, cafeteria (including premium payment, health care flexible spending account, and dependent care flexible spending account components), travel reimbursement, transportation, vacation benefits, apprenticeship or other training programs, day care centers, or prepaid legal services benefits, including any "employee welfare benefit plan" (as defined in ERISA Section 3(1)), whether or not subject to ERISA, that is not a severance plan.

(s) "Incurred Claim" means a Liability related to services or benefits provided under a Benefit Plan, which will be deemed to be incurred: (i) with respect to medical, dental, vision, and prescription drug benefits, upon the rendering of services giving rise to such Liability; (ii) with respect to death benefits, life insurance, accidental death and dismemberment insurance, and business travel accident insurance, upon the occurrence of the event giving rise to such Liability; (iii) with respect to disability benefits, upon the date of disability, as determined by the applicable disability benefit insurance carrier or claim administrator; (iv) with respect to a period of continuous hospitalization, upon the date of admission to the hospital; and (v) with respect to tuition reimbursement or adoption assistance, upon completion of the requirements for such reimbursement or assistance, whichever is applicable.

(t) "NASDAQ" means the Nasdaq Stock Exchange.

(u) "Notice" means any written notice, request, demand or other communication specifically referencing this Agreement and given in accordance with Section 7.08.

(v) "Parent" has the meaning set forth in the first paragraph of this Agreement.

(w) "Parent 401(k) Plan" means the SunPower Corporation 401(k) Saving Plan.

(x) "Parent Award" means a Parent RSU Award or Parent PSU Award, as applicable, which are subject to adjustment in accordance with Section 6.01 and/or with respect to which corresponding SpinCo Awards will be issued pursuant to Section 6.01.

(y) "Parent Benefit Plan" means a Benefit Plan sponsored by, maintained by, or contributed to by any member of the RemainCo Group, other than a SpinCo Benefit Plan. For the avoidance of doubt, no member of the RemainCo Group will be deemed to sponsor, maintain or contribute to any Benefit Plan if its relationship to such Benefit Plan is solely to administer such Benefit Plan or provide to the SpinCo Group any reimbursement in respect of such Benefit Plan.

(z) "Parent Board" has the meaning set forth in the Recitals.

(aa) "Parent Change of Control" has the meaning set forth in Section 6.01(b).

(bb) "Parent Compensation Committee" means the Compensation Committee of the Parent Board.

(cc) "Parent Equity Plan" means, collectively, the SunPower Corporation 2015 Omnibus Incentive Plan, and any incentive compensation program or arrangement that governs the terms of equity-based incentive awards assumed by the RemainCo Group in connection with a corporate transaction and that is maintained by the RemainCo Group immediately prior to the Distribution Date (excluding the SpinCo Equity Plan and any other plan maintained solely by SpinCo or any other member of the SpinCo Group), and any sub-plans established under those programs.

(dd) "Parent Former Employee" means a Former Employee who is not a SpinCo Former Employee.

(ee) "Parent Health and Welfare Plan" means a Health and Welfare Plan sponsored by, maintained by, or contributed to by any member of the RemainCo Group. For the avoidance of doubt, no member of the RemainCo Group will be deemed to sponsor, maintain or contribute to any Health and Welfare Plan if its relationship to such Health and Welfare Plan is solely to administer such Health and Welfare Plan or provide to the SpinCo Group any reimbursement in respect of such Health and Welfare Plan.

(ff) "Parent Non-U.S. Retirement Plan" means any Benefit Plan that is a pension or retirement plan (other than a severance plan) that is maintained by any member of the RemainCo Group for the benefit of Employees employed outside the U.S., other than a SpinCo Benefit Plan.

(gg) "Parent Post-Distribution Stock Value" means the rolling average of the daily volume weighted average per share price of one Parent Share, trading "regular-way," as reported on the NASDAQ on each of the ten consecutive trading days starting with the First Post-Distribution Trading Date.

(hh) "Parent PSU Award" means a performance stock unit award granted pursuant to a Parent Equity Plan and outstanding immediately prior to the Distribution Date.

(ii) "Parent RSU Award" means a restricted stock unit award granted pursuant to a Parent Equity Plan and outstanding immediately prior to the Distribution Date.

(jj) "Party" or "Parties" means a party or the parties to this Agreement.

(kk) "Pre-Distribution Stock Value" means the rolling average of the daily volume weighted average per share price of one Parent Share, trading "regular-way," as reported on the NASDAQ on each of the ten consecutive trading days ending with the day immediately prior to the Distribution Date (or if such day is not an NASDAQ trading day, ending on the next preceding NASDAQ trading day).

(ll) "Restricted Cash Award" means a restricted cash award granted pursuant to a restricted cash award agreement and outstanding immediately prior to the Distribution Date.

(mm) "Retained Employee" means any Employee other than a SpinCo Employee.

(nn) "Securities Act" means the U.S. Securities Act of 1933, as amended.

(oo) "Separation" has the meaning set forth in the Recitals.

(pp) "Separation and Distribution Agreement" has the meaning set forth in the Recitals.

(qq) "SpinCo" has the meaning set forth in the Preamble.

(rr) "SpinCo Award" means a SpinCo RSU Award or SpinCo PSU Award, as applicable, issued pursuant to Section 6.01.

(ss) "SpinCo Benefit Plan" means each Benefit Plan sponsored by, maintained by, or contributed to by any member of the SpinCo Group and that covers only SpinCo Employees and/or SpinCo Former Employees. For the avoidance of doubt, no member of the SpinCo Group will be deemed to sponsor, maintain or contribute to any Benefit Plan if its relationship to such Benefit Plan is solely to administer such Benefit Plan or provide to the RemainCo Group any reimbursement in respect of such Benefit Plan.

(tt) "SpinCo Change of Control" has the meaning set forth in Section 6.01(b).

(uu) "SpinCo Employee" means any Employee who is (i) employed by any member of the SpinCo Group immediately prior to the Distribution Date or who continues in employment with the SpinCo Group from and after the Distribution Date, or (ii) hired by any member of the SpinCo Group on or after the Distribution Date.

(vv) "SpinCo Equity Plan" means the equity incentive compensation plan or arrangement that governs the terms of equity-based incentive awards assumed by the SpinCo Group in connection with this Agreement and any sub-plans established under those programs.

(ww) "SpinCo Former Employee" means a Former Employee who was primarily employed or engaged by the SpinCo Group immediately prior to such individual's termination of employment.

(xx) "SpinCo Health and Welfare Plan" means a SpinCo Benefit Plan that is a Health and Welfare Plan. For the avoidance of doubt, no member of the SpinCo Group will be deemed to sponsor, maintain or contribute to any Health and Welfare Plan if its relationship to such Health and Welfare Plan is solely to administer such Health and Welfare Plan or provide to the RemainCo Group any reimbursement in respect of such Health and Welfare Plan.

(yy) "SpinCo Post-Distribution Stock Value" means the rolling average of the daily volume weighted average per share price of one SpinCo Share, trading "regular-way," as reported on NASDAQ, or such alternative primary exchange on which SpinCo Shares may be traded at such time, on each of the ten consecutive trading days starting with the First Post-Distribution Trading Date.

(zz) "SpinCo PSU Award" means a performance stock unit award issued by SpinCo in accordance with Section 6.01.

(aaa) "SpinCo Retirement Plan" means any SpinCo Benefit Plan that is a retirement or pension plan.

(bbb) "SpinCo RSU Award" means a restricted stock unit award issued by SpinCo in accordance with Section 6.01.

(ccc) "Tax" has the meaning set forth in the Tax Matters Agreement.

(ddd) "Tax Authority" has the meaning set forth in the Tax Matters Agreement.

ARTICLE II

GENERAL PRINCIPLES

Section 2.01 Allocation of Liabilities.

(a) *SpinCo Liabilities.* Effective as of the Effective Time (but in any case prior to the Distribution), and except as expressly provided in this Agreement, SpinCo hereby assumes (or retains) or will cause any other member of the SpinCo Group to assume (or retain) and agrees to (or to cause another member of the SpinCo Group to) pay, perform, fulfill, and discharge, all Liabilities (i) to the extent relating to, arising out of, or resulting from the employment (or termination of employment) of any SpinCo Employee or any SpinCo Former Employee, whether such Liabilities relate to or arise out of periods on, prior to or after the Distribution Date and including any Liabilities that are required to be assumed pursuant to local Law, or (ii) which are expressly assumed or retained by the SpinCo Group pursuant to this Agreement. For the avoidance of doubt, SpinCo shall assume (or retain) all statutory employee entitlements, including accrued but untaken annual leave, long service leave, personal leave, sick leave, family, parental or carer's leave and redundancy pay related to any SpinCo Employee or SpinCo Former Employee.

(b) *Parent Liabilities.* Effective as of the Effective Time (but in any case prior to the Distribution), and except as expressly provided in this Agreement, Parent hereby assumes (or retains) or will cause any other member of the RemainCo Group to assume (or retain) and agrees to (or to cause another member of the RemainCo Group to) pay, perform, fulfill, and discharge, all Liabilities (i) to the extent relating to, arising out of, or resulting from the employment (or termination of employment) of any Retained Employee or any Parent Former Employee, whether such Liabilities relate to or arise out of periods on, prior to or after the Distribution Date or (ii) which are expressly assumed or retained by the RemainCo Group pursuant to this Agreement.

(c) *Intended Effect; Other Liabilities.* The intended effect of this Agreement, except to the extent expressly provided herein, is that (i) the SpinCo Group (or a member thereof) will assume or retain all Liabilities to or related to SpinCo Employees and SpinCo Former Employees and all Liabilities under or with respect to any SpinCo Benefit Plan or any Employment Agreement with any SpinCo Employee, and (ii) the RemainCo Group (or a member thereof) will assume and retain all Liabilities to or related to Employees and Former Employees other than SpinCo Employees and SpinCo Former Employees and all Liabilities under the Parent Benefit Plans (including those with respect to SpinCo

Employees and SpinCo Former Employees) and any Employment Agreement with any Retained Employee. To the extent that this Agreement does not address particular Liabilities and the Parties later determine that such Liabilities should be allocated in connection with the Separation, the Parties will agree in good faith on the allocation, taking into account the handling of comparable Liabilities under this Agreement.

(d) *Transfer of Employees*. Except with respect to employees who transfer employment pursuant to Section 2.04 after the Distribution Date, Parent will use commercially reasonable efforts to ensure that employees of the RemainCo Group who are designated by Parent to transfer employment to the SpinCo Group transfer to the appropriate member of the SpinCo Group prior to the Distribution Date, taking into account the requirements of local Law (including, where required by applicable Law, ensuring that they resign from their employment with Parent or a member of the RemainCo Group and accept employment with SpinCo or a member of the SpinCo Group).

Section 2.02 Employment with SpinCo.

(a) *Retention of Employees.* From and after the Effective Time, the Parties intend for SpinCo Employees to remain employed by the SpinCo Group on a basis consistent with Section 2.02(b). The Parties will cooperate in good faith to identify clearly the SpinCo Employees. SpinCo will be responsible for, and will indemnify the RemainCo Group from and against, any Liabilities incurred (including any severance payments made or required to be made): (i) in connection with the transfer or termination of a SpinCo Employee on or after the Distribution Date, (ii) arising from or in connection with a failure or refusal by any SpinCo Employee to continue in employment from and after the Distribution Date, and (iii) any other Liabilities retained or assumed by SpinCo (or any other member of the SpinCo Group) under this Agreement.

(b) *Compensation and Benefits*. Except as expressly provided in this Agreement, the SpinCo Group will provide to each SpinCo Employee as of the Distribution Date (i) base salary at the same rate as provided to that SpinCo Employee immediately prior to the Distribution Date, (ii) cash incentive compensation opportunities that are no less favorable on an overall basis than those offered to such SpinCo Employee immediately prior to the Distribution Date, and (iii) benefits under SpinCo Benefit Plans (and where required by applicable local Law all other terms and conditions of employment) other than those specified in clause (ii) that are determined in the sole discretion of SpinCo (or the applicable member of the SpinCo Group) or, where otherwise required by applicable Law, are no less favorable on an overall basis than those available to such SpinCo Employees immediately prior to the Distribution Date, including the SpinCo Equity Plan. Nothing in the preceding sentence will prevent the SpinCo Group from modifying the compensation and benefits of a SpinCo Employee after the Distribution Date.

(c) *Non-U.S. Employees*. Notwithstanding anything to the contrary herein, the following terms will apply to all SpinCo Employees:

(i) To the extent that (A) the applicable Law of any jurisdiction, (B) any applicable Collective Bargaining Agreement or other applicable agreement with a works council or economic committee, or (C) any applicable Employment Agreement would require SpinCo or a member of the SpinCo Group to provide any terms of employment to any SpinCo Employee that are more favorable than those otherwise provided for in this Agreement in connection with the Distribution, then SpinCo will cause the SpinCo Group to provide such SpinCo Employee with such more favorable terms. SpinCo will be responsible for liabilities for, and will cause the SpinCo Group to provide all compensation or benefits (whether statutory, contractual or otherwise) to each SpinCo Employee arising from or related to the transactions contemplated by the Separation Agreement, or the related transfer of the employee to SpinCo or a member of the SpinCo Group.

(ii) Parent and SpinCo agree that to the extent provided under the applicable Laws of certain foreign jurisdictions, (A) any Employment Agreements between a member of the RemainCo Group, on the one hand, and any SpinCo Employee, on the other hand, and (B) any Collective Bargaining Agreements applicable to the SpinCo Employees in such jurisdictions, will in each case have effect after the Distribution as if originally made between the SpinCo Group and the other parties to such Employment Agreement or Collective Bargaining Agreement.

Section 2.03 Establishment of SpinCo Plans. From and after the Distribution Date, SpinCo will (or will cause another member of the SpinCo Group to) adopt or continue in effect the SpinCo Benefit Plans (and related trusts, if applicable, as determined by the Parties) that were in effect prior to the Distribution Date and such other SpinCo Benefit Plans as determined in the discretion of the SpinCo Group (or any member thereof), subject to the terms and conditions of Section 2.02(b) and Section 2.02(c). Notwithstanding the foregoing or any other provision of this Agreement, SpinCo will adopt the SpinCo Equity Plan prior to the Distribution Date.

Section 2.04 Transfers by Mutual Agreement. The Parties recognize that, prior to and/or for a period of twelve (12) months from the Distribution Date, they may determine it to be in their mutual best interests to transfer an individual classified (or who would otherwise be classified) as a Retained Employee to the SpinCo Group or to transfer an individual classified (or who would otherwise be classified) as a SpinCo Employee to the RemainCo Group. With the express written consent of each Party, RemainCo Group or SpinCo Group, as applicable, will use commercially reasonable efforts to ensure that such individual's employment is either transferred, terminated by such individual by resigning, or failing that, will be terminated by the RemainCo Group or the SpinCo Group, as applicable, and such Employee will be immediately offered employment by the other Party on the same basis as mandated by Section 2.02(b) (such terminations and hires are referred to in this Section 2.04 as "transfers"), in each case taking into account the requirements of local Law. Retained Employees (or a person who would otherwise be classified as a Retained Employee, in any case with such status being determined as of the date of transfer) who are subsequently transferred to the SpinCo Group pursuant to

this Section 2.04 will be treated as Retained Employees for all purposes hereof during their time as Employees of the RemainCo Group until their actual transfer to the SpinCo Group, upon and following which the Parties will use commercially reasonable efforts to provide that they are treated as SpinCo Employees for all purposes hereof. SpinCo Employees (or a person who would otherwise be classified as a SpinCo Employee, with such status being determined as of the date of transfer) who are subsequently transferred to the RemainCo Group pursuant to this Section 2.04 will be treated as SpinCo Employees for all purposes hereof during their time as Employees of the SpinCo Group until their actual transfer to the RemainCo Group, upon and following which the Parties will use commercially reasonable efforts to provide that they are treated as Retained Employees for all purposes hereof.

Section 2.05 Collective Bargaining Agreements. Effective as of the Distribution Date, (i) Parent or a member of the RemainCo Group will retain each Collective Bargaining Agreement then in effect covering any Retained Employee and will retain all liabilities arising prior to the Distribution Date and assume all liabilities arising after the Distribution Date under each such Collective Bargaining Agreement and (ii) SpinCo or a member of the SpinCo Group will retain or assume each Collective Bargaining Agreement then in effect covering any SpinCo Employee and will retain all liabilities arising prior to the Distribution Date and assume all liabilities arising after the Distribution Date under each such Collective Bargaining Agreement.

ARTICLE III

PARENT 401(K) PLAN

Section 3.01 401(k) Plan. From and after the Distribution Date, the Parent 401(k) Plan will continue to be responsible for all Liabilities thereunder and no assets or Liabilities of the Parent 401(k) Plan will be transferred to any SpinCo Benefit Plan and SpinCo will not assume any Liabilities under or with respect to the Parent 401(k) Plan.

ARTICLE IV

PARENT NON-U.S. RETIREMENT PLANS AND SPINCO RETIREMENT PLANS AND DEFERRED COMPENSATION PLANS

Section 4.01 Parent Non-U.S. Retirement Plans. From and after the Distribution Date, each member of the RemainCo Group will continue to be responsible for all Liabilities under and with respect to any Parent Non-U.S. Retirement Plan to the extent that it was responsible for such Liabilities immediately prior to the Distribution Date, no assets or Liabilities of any such Parent Non-U.S. Retirement Plan will be transferred to SpinCo or any SpinCo Benefit Plan, and the SpinCo Group will not assume any Liabilities under or with respect to any such Parent Non-U.S. Retirement Plan for which the RemainCo Group was responsible immediately prior to the Distribution Date. Without limiting the generality of the foregoing, SpinCo Employees will cease to be active participants in the Parent Non-U.S. Retirement Plans effective as of the Distribution Date and no SpinCo Employee will accrue any benefits under any Parent Non-U.S. Retirement Plan for periods after the Distribution Date.

Section 4.02 SpinCo Retirement Plans. From and after the Distribution Date, each member of the SpinCo Group will be responsible for all Liabilities under and with respect to any SpinCo Retirement Plan, no assets or Liabilities of any SpinCo Retirement Plan will be transferred to any Parent Benefit Plan or any member of the RemainCo Group and no member of the RemainCo Group will assume or otherwise have any Liabilities under or with respect to any SpinCo Retirement Plan. Without limiting the generality of the foregoing, Retained Employees will cease to be active participants in any SpinCo Retirement Plan effective as of the Distribution Date and no Retained Employee will accrue any benefits under any SpinCo Retirement Plan for periods after the Distribution Date except in accordance with the express terms and conditions of and applicable SpinCo Retirement Plan.

Section 4.03 Deferred Bonus Plans. From and after the Distribution Date, each member of the SpinCo Group will be responsible for all Liabilities under and with respect to any Deferred Bonus Plan to the extent payable to any SpinCo Employee or SpinCo Former Employee.

ARTICLE V

WELFARE AND FRINGE BENEFIT PLANS

Section 5.01 Health and Welfare Plans.

(a) Allocation of Liabilities; Generally.

(i) Except as otherwise provided in this Agreement, from and after the Distribution Date, (A) the RemainCo Group and the Parent Health and Welfare Plans, as applicable, will continue to be responsible for all Liabilities under and with respect to the Parent Health and Welfare Plans (including all Incurred Claims, regardless of when the Incurred Claim arose or was incurred), (B) the RemainCo Group and the Parent Health and Welfare Plans, as applicable, will retain all assets relating to or associated with the Parent Health and Welfare Plans and Incurred Claims (including Medicare reimbursements, insurance payments and reimbursements, pharmaceutical rebates, and similar items), and (C) no assets or Liabilities of the Parent Health and Welfare Plans will be transferred to any SpinCo Benefit Plan and the SpinCo Group will not assume any Liabilities under or with respect to the Parent Health and Welfare Plans. Without limiting the generality of the foregoing, SpinCo Employees will cease to be active participants in the Parent Health and Welfare Plans effective as of the Distribution Date and no SpinCo Employee will be entitled to any benefits under the Parent Health and Welfare Plans for periods on or after the Distribution Date except as required by applicable Law.

(ii) Except as otherwise provided in this Agreement, from and after the Distribution Date, (A) the SpinCo Group and the SpinCo Health and Welfare Plans, as applicable, will be responsible for all Liabilities under and with respect to the SpinCo Health and Welfare Plans (including all Incurred Claims, regardless of when the Incurred Claim arose or was incurred), (B) the SpinCo Group and the SpinCo Health and Welfare Plans, as applicable, will retain all assets relating to or associated with the SpinCo Health and Welfare Plans and Incurred Claims (including Medicare reimbursements, insurance payments and reimbursements, pharmaceutical rebates, and similar items), and (C) no assets or Liabilities of the SpinCo Health and Welfare Plans will be transferred to any Parent Benefit Plan and the RemainCo Group will not assume any Liabilities under or with respect to the SpinCo Health and Welfare Plans. Without limiting the generality of the foregoing, Retained Employees will cease to be active participants in the SpinCo Health and Welfare Plans effective as of the Distribution Date and no Retained Employee will be entitled to any benefits under the SpinCo Health and Welfare Plans for periods on or after the Distribution Date except as required by applicable Law.

(b) *COBRA*. Without limiting the generality of Section 5.01(a), the RemainCo Group will continue to be responsible for compliance with the health care continuation requirements of COBRA, and the corresponding provisions of the Parent Health and Welfare Plans with respect to any (i) Retained Employees and any Former Employees (and their covered dependents) who incur a qualifying event under COBRA on, prior to, or following the Distribution Date, and (ii) any SpinCo Employees (and their covered dependents) who incur a qualifying event under COBRA on or prior to the Distribution Date.

Section 5.02 Vacation, Holidays, Annual Leave and Leaves of Absence. Effective as of the Distribution Date, SpinCo will (or will cause any other member of the SpinCo Group to) retain (or assume) all Liabilities of the RemainCo Group with respect to vacation, holiday, annual leave, long service or other leave of absence, and required payments related thereto, for each SpinCo Employee and each SpinCo Former Employee or reimburse the RemainCo Group for any such expenses incurred by the RemainCo Group in connection with the Separation. Parent will (or will cause any other member of the RemainCo Group to) retain all Liabilities with respect to vacation, holiday, annual leave, long service or other leave of absence, and required payments related thereto, for all Retained Employees and Parent Former Employees.

Section 5.03 Severance and Unemployment Compensation. Effective as of the Distribution Date, SpinCo will (or will cause another member of the SpinCo Group to) retain (or assume) all Liabilities to, or relating to, SpinCo Employees and SpinCo Former Employees in respect of severance and unemployment compensation or reimburse the RemainCo Group for any such expenses incurred by the RemainCo Group in connection with the Separation. The RemainCo Group will be responsible for any and all Liabilities to, or relating to, Retained Employees and Parent Former Employees in respect of severance and unemployment compensation.

Section 5.04 Workers' Compensation. With respect to claims for workers' compensation in the United States, (a) the SpinCo Group will be responsible for claims in respect of SpinCo Employees and SpinCo Former Employees, whether occurring or related to events occurring prior to, on or following the Distribution Date, and (b) the RemainCo Group will be responsible for all claims in respect of Retained Employees and Parent Former Employees, whether occurring or related to events occurring prior to, on or following the Distribution Date.

ARTICLE VI

EQUITY AND INCENTIVE PROGRAMS

Section 6.01 Equity Plans.

(a) The Parties will use commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding Parent RSU Award and Parent PSU Award granted under a Parent Equity Plan will be adjusted as set forth in this Section 6.01.

(i) *Parent RSU Awards*. As determined by the Parent Compensation Committee pursuant to its authority under the applicable Parent Equity Plan, each Parent RSU Award, regardless of by whom held, whether vested or unvested, will be converted effective as of the Distribution Date as described in this Section 6.01(a)(i).

(A) Each Parent RSU Award will be converted effective as of the Distribution Date into either an Adjusted Parent RSU Award (for Retained Employees and Parent Former Employees) or a SpinCo RSU Award (for SpinCo Employees and SpinCo Former Employees). Except as otherwise provided in this Section 6.01, each Adjusted Parent RSU Award and each SpinCo RSU Award be subject to the same terms and conditions (including with respect to vesting, settlement and termination) after the conversion as applied to such Parent RSU Award immediately prior to the conversion; provided, however, that:

(1) the number of Parent Shares (including those attributable to dividend equivalent units) subject to each Adjusted Parent RSU Award subject to this Section 6.01(a)(i)(A) will be equal to the quotient of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent RSU Award immediately prior to the Distribution Date, multiplied by (b) the Pre-Distribution Stock Value, rounded to the nearest cent; divided by (II) the Parent Post-Distribution Stock Value, rounded down to the nearest whole number;

(2) the number of SpinCo Shares subject to each SpinCo RSU Award (including those attributable to dividend equivalent units) subject to this Section 6.01(a)(i)(A) will be equal to the quotient of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent RSU Award immediately prior to the Distribution Date, multiplied by (b) the Pre-Distribution Stock Value, rounded to the nearest cent; divided by (II) the SpinCo Post-Distribution Stock Value, rounded down to the nearest whole number.

(ii) *Parent PSU Awards*. Each Parent PSU Award outstanding on the Distribution Date will be converted effective as of the Distribution Date into an Adjusted Parent PSU Award (for Retained Employees and Parent Former Employees) or a SpinCo PSU Award (for SpinCo Employees and SpinCo Former Employees). Except as otherwise provided in this Section 6.01, each Adjusted Parent PSU Award will be subject to the same terms and conditions (including with respect to vesting, settlement and termination) after the conversion as applied to the corresponding Parent PSU Award immediately prior to the conversion; provided, however, that:

(A) the number of Parent Shares subject to each Adjusted Parent PSU Award subject to this Section 6.01(a)(ii) will be equal to the quotient of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent PSU Award immediately prior to the Distribution Date, multiplied by (b) the Pre-Distribution Stock Value, rounded to the nearest cent; divided by (II) the Parent Post-Distribution Stock Value, rounded down to the nearest whole number;

(B) the number of SpinCo Shares subject to each SpinCo PSU Award subject to this Section 6.01(a)(ii) will be equal to the quotient of of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent PSU Award immediately prior to the Distribution Date, multiplied by (b) the Pre-Distribution Stock Value, rounded to the nearest cent; divided by (II) the SpinCo Post-Distribution Stock Value, rounded down to the nearest whole number; and

(C) the performance criteria and performance targets under each Adjusted Parent PSU Award and each SpinCo PSU Award subject to this Section 6.01(a)(ii) will be equitably adjusted prior to the Distribution as determined appropriate or required in the sole discretion of the Parent Compensation Committee.

(b) *Miscellaneous Award Terms.* After the Distribution Date, Adjusted Parent Awards, regardless of by whom held, will be settled by Parent, and SpinCo Awards, regardless of by whom held, will be settled by SpinCo, in each case, without reimbursement by the other Party. Except as otherwise provided in this Agreement, with respect to grants described in this Section 6.01, no SpinCo Employee will be treated as having incurred a termination of employment with respect to any Parent Award solely by reason of the transfer of employment. In addition, none of the Separation, the Distribution, or any employment transfer described in Section 2.04 will constitute a termination of employment for any Employee for purposes of any Adjusted Parent Award or any SpinCo Award. Following the Distribution Date, for any award adjusted under this Section 6.01, any reference to a "change in control," "change of control" or similar definition in an award agreement, Employment Agreement or Parent Equity Plan applicable to such award (A) with respect to Adjusted Parent Awards, will be deemed to refer to a "change in control," "change of control" or similar definition as set forth in the applicable award agreement, Employment Agreement or Parent Equity Plan (a "Parent Change of Control"), and (B) with respect to SpinCo Awards, will be deemed to refer to a "Change in Control" as defined in the SpinCo Equity Plan (a "SpinCo Change of Control").

(c) *Tax Reporting and Withholding.* Following the Distribution Date, it is expected that: (i) Parent will be responsible for all income, payroll and other tax remittance and reporting related to income of Retained Employees, Parent Former Employees, and, to the extent required, individuals who are or were Parent non-employee directors in respect of Adjusted Parent Awards and SpinCo Awards; and (ii) SpinCo will be responsible for all income, payroll and other tax remittance and reporting related to income of SpinCo Employees and SpinCo Former Employees in respect of Adjusted Parent Awards and SpinCo Awards. Parent or SpinCo, as applicable, will facilitate performance by the other Party of its obligations hereunder by promptly remitting amounts or shares withheld in conjunction with a transfer of shares or cash, either (as mutually agreed by the Parties) directly to the applicable taxing authority or to the other Party for remittance to such taxing authority. The Parties will cooperate and communicate with each other and with third-party providers to effectuate withholding and remittance of taxes, as well as required tax reporting, in a timely, efficient and appropriate manner. If Parent or SpinCo determines in its reasonable judgment that any action required under this Section 6.01 will not achieve the intended tax, accounting and legal results, including, without limitation, the intended results under Code Section 409A or FASB ASC Topic 718 – Stock Compensation, then at the request of Parent or SpinCo, as applicable, Parent and SpinCo will mutually cooperate in taking such actions as are necessary or appropriate to achieve such results, or most nearly achieve such results if they originally-intended results are not fully attainable.

(d) *Registration and Other Regulatory Requirements.* Prior to the Distribution Date (and in any case before the date of issuance of any SpinCo Shares pursuant to the SpinCo Equity Plan), SpinCo agrees to file a Form S-8 registration statement (or an S-1 or S-3 if a Form S-8 Registration Statement is not then available for any such awards to be granted in accordance with the terms of this Agreement) with respect to, and to cause to be registered pursuant to the Securities Act, the SpinCo Shares authorized for issuance under the SpinCo Equity Plan, as required pursuant to the Securities Act, or such similar registration as may be required by applicable local Law. The Parties will take such additional actions as are deemed necessary or advisable to effectuate the foregoing provisions of this Section 6.01, including compliance with securities Laws and other legal requirements associated with equity compensation awards in affected non-U.S. jurisdictions. Parent agrees to facilitate the adoption and approval of the SpinCo Equity Plan taking into account the requirements of Treasury Regulations Section 1.162-27(f)(4)(iii).

(e) *Further Adjustments.* Notwithstanding the foregoing provisions of this Section 6.01, the Parent Board (or such other committee authorized by the Parent Board) may determine, in its sole discretion, not to adjust certain outstanding Parent equity-based awards pursuant to the foregoing provisions of this Section 6.01 where (i) those actions would create or trigger adverse legal, accounting or tax consequences for Parent, SpinCo and/or the affected award holders, or (ii) where the Parent Board (or such other committee authorized by the Parent Board) determines that an adjustment is appropriate

due to distortions in either Parent or SpinCo's share values due to an unforeseen temporary market event unrelated to Parent or SpinCo. In such circumstances, Parent and/or SpinCo may take any action necessary or advisable to prevent any such adverse legal, accounting or tax consequences or distortions, including (x) agreeing that the outstanding Parent equity-based awards of the affected award holders will terminate in accordance with the terms of the Parent Equity Plans and the underlying award agreements, in which case Parent will equitably compensate the affected award holders in an alternate manner determined by Parent in its sole discretion, or (y) apply an alternate adjustment method. Where and to the extent required by applicable Law or tax considerations outside the United States, the adjustments described in this Section 6.01 will be deemed to have been effectuated immediately prior to the Distribution Date.

(f) *Code Section 409A.* Notwithstanding any other provision of this Agreement to the contrary, in the case of any Parent RSU Award or Parent PSU Award, all conversions and adjustments pursuant to this Section 6.01 will be made taking into account the requirements of Code Sections 409A, to the extent applicable.

Section 6.02 Bonus and Incentive Plans.

(a) *Generally.* The SpinCo Group will be responsible for all bonus payments and other cash incentive payments to SpinCo Employees in respect of any plan period, the payment date for which occurs on or after the applicable SpinCo Employee's Distribution Date.

(b) *Restricted Cash Awards*. The SpinCo Group will assume all Liabilities associated with any Restricted Cash Award that was granted to a SpinCo Employee and remains outstanding as of the Distribution.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Transfer of Records. Parent will transfer to SpinCo any and all employment records and information (including any Form 1-9, Form W-2 or other Internal Revenue Service forms or foreign jurisdiction equivalents, personnel files, performance reviews and other employment related information) with respect to SpinCo Employees and other records reasonably required by SpinCo to enable SpinCo properly to carry out its obligations under this Agreement. Such transfer of records generally will occur as soon as administratively practicable on or after the Distribution Date. Each Party will permit the other Party reasonable access to Employee records to the extent reasonably necessary for such accessing Party to carry out its obligations hereunder. Any transfer required hereunder will be required only to the extent required or permitted by applicable local Law.

Section 7.02 Cooperation. Each Party will upon reasonable request provide the other Party and the other Party's respective Affiliates, agents and vendors all information reasonably necessary to the other Party's performance of its obligations hereunder. The Parties agree to use commercially reasonable efforts and to cooperate with each other to carry out their obligations hereunder and to effectuate the terms of this Agreement. Without limiting the generality of the foregoing, (a) Parent shall provide to SpinCo all information relating to the performance of the RemainCo Group following the Distribution that is necessary for SpinCo to calculate any performance bonuses (including any leadership bonuses) payable to any SpinCo Employee or SpinCo Former Employee for the performance period in which the Distribution occurs and (b) SpinCo shall provide to Parent all information relating to the performance of the SpinCo Group following the Distribution that is necessary for Parent to calculate any performance bonuses (including any leadership bonuses) payable to any Retained Employee or Parent Former Employee for the performance period in which the Distribution occurs.

Section 7.03 Tax Benefits. If any member of the RemainCo Group remits a payment to a Tax Authority for Taxes on behalf of any SpinCo Employee or a SpinCo Former Employee, SpinCo shall remit to Parent the amount for which it is liable within thirty (30) days after receiving written notification requesting such amount. If any member of the SpinCo Group remits a payment to a Tax Authority for Taxes on behalf of any Retained Employee or any Parent Former Employee, Parent shall remit to SpinCo the amount for which it is liable within thirty (30) days after receiving written notification requesting such amount. Effective as of the Distribution Date, the RemainCo Group will be entitled to all Employee Recoupment Assets in respect of all Employees and Former Employees to the extent that the Employee Recoupment Asset relates to a payment made by the RemainCo Group. The SpinCo Group will be entitled all Employee Recoupment Assets in respect of SpinCo Employees and SpinCo Former Employees to the extent that the Employee Recoupment Asset relates to a payment made by the SpinCo Group.

Section 7.04 Compliance. The agreements and covenants of the Parties hereunder will at all times be subject to the requirements and limitations of applicable Law (including local Laws, rules and customs relating to the treatment of benefit plans) and collective bargaining agreements, and/or social consultation as applicable. Where an agreement or covenant of a Party hereunder cannot be effected in compliance with applicable Law or an applicable collective bargaining agreement or social consultation requirement, the Parties agree to negotiate in good faith to modify such agreement or covenant to the least extent possible in keeping with the original agreement or covenant in order to comply with applicable Law or such applicable collective bargaining agreement or social consultation requirement. Each provision of this Agreement is subject to and qualified by this Section 7.04, whether or not such provision expressly states that it is subject to or limited by applicable Law or by applicable collective bargaining agreements. Each reference to the Code, ERISA, or the Securities Act or any other Law will be deemed to include the rules, regulations, and guidance issued thereunder.

Section 7.05 Preservation of Rights. Unless expressly provided otherwise in this Agreement, nothing herein will be construed as a limitation on the right of the RemainCo Group or the SpinCo Group to (a) amend or terminate any Benefit Plan or (b) terminate the employment of any Employee.

Section 7.06 Not a Change in Control. The Parties acknowledge and agree that the Separation, Distribution and other transactions contemplated by the Separation and Distribution Agreement and this Agreement do not constitute a "change in control" or a "change of control" for purposes of any Benefit Plan, any Employment Agreement or any other agreement or arrangement.

Section 7.07 Reimbursements; Interest on Late Payments. The Parties acknowledge and agree that the RemainCo Group, on one hand, and the SpinCo Group, on the other hand, may incur costs and expenses (including payment of compensation) which are the responsibility of the other Party as set forth in this Agreement. Accordingly, the Parties agree to reimburse each other for Liabilities and obligations for which such Party is responsible, and will provide such reimbursement reasonably promptly and in accordance with the terms of any agreement between the Parties or their Affiliates addressing such matters. Payments pursuant to this Agreement that are not made by the date prescribed in this Agreement or, if no such date is prescribed, within thirty (30) days after written demand for payment is made, shall accrue interest for the period from and including the date immediately following the due date therefor through and including the date of payment at a rate per annum equal to the Prime Rate plus two percent (2%) (compounded monthly). Such rate shall be redetermined at the beginning of each calendar quarter following such due date. Such interest will be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of three hundred sixty-five (365) days and the actual number of days for which due.

Section 7.08 Notices. Unless expressly provided herein, all notices, requests, claims, demands or other communications under this Agreement shall be delivered in accordance with the requirements for the provision of notice set forth in Section 10.6 of the Separation and Distribution Agreement.

Section 7.09 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the Effective Time, any Party to this Agreement (an "Indemnitee") shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the RemainCo Group or the SpinCo Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which the opposing Party (the "Indemnifying Party") may be liable pursuant to any Section of this Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event no later than fourteen (14) days after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 7.09(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent (if any) to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 7.09(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise, subject to Section 7.09(e)), at its own expense and with its own counsel, any Third-Party Claim; provided that, prior to the Indemnifying Party assuming and controlling defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee being true, the Indemnifying Party shall indemnify the Indemnitee for any Liabilities to the extent resulting from, or arising out of, such Third-Party Claim. Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in all material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party shall not be bound by such acknowledgment, (B) the Indemnifying Party shall promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim and (C) the Indemnitee shall have the right to assume the defense of such Third-Party Claim. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 7.09(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 7.09(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs*. If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 7.09(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel, as necessary) of its own

choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 7.09(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.8 and 6.9 of the Separation and Distribution Agreement, such Indemnitee or Indemnifying Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel, as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed, unless such settlement or compromise is solely for monetary damages that are fully payable, and are capable of being paid in full, by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party (or any other member of its Group or any of their respective past, present or future directors, officers or employees) and provides for a full, unconditional and irrevocable release of the other Party (and each other relevant member of its Group and any of its or their relevant past, present, or future directors, officers or employees) from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

Section 7.10 Limitation on Enforcement. This Agreement is an agreement solely between the Parties. Nothing in this Agreement, whether express or implied, will be construed to: (a) confer upon any current or former Employee of the RemainCo Group or the SpinCo Group, or any other person any rights or remedies, including to any right to (i) employment or recall; (ii) continued employment or continued service for any specified period; or (iii) claim any particular compensation, benefit or aggregation of benefits, of any kind or nature; or (b) create, modify, or amend any Benefit Plan.

Section 7.11 Disputes. The procedures for discussion, negotiation, mediation and arbitration set forth in Article VII of the Separation and Distribution Agreement shall apply to all disputes, controversies or claims (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with, this Agreement.

Section 7.12 Third Party Consents. Without limiting or otherwise modifying the provisions regarding Approvals or Notifications set forth in the Separation and Distribution Agreement, if the obligation of any Party under this Agreement depends upon the Approval or Notification of a Third Party, such as a vendor or insurer, and that Approval or Notification is withheld, the Parties will use commercially reasonable efforts to implement the affected provisions of this Agreement to the fullest extent practicable; provided that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, neither Parent nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications. If any provision of this Agreement cannot be implemented due to the failure of a Third Party to provide a required Approval or Notification, the Parties will negotiate in good faith to implement the provision in a mutually satisfactory manner, taking into account the original purpose of the affected provision.

Section 7.13 Further Assurances and Consents. Without limiting or otherwise modifying the provisions of Article VIII of the Separation and Distribution Agreement, in addition to the actions specifically provided for in this Agreement, each of the Parties will use reasonable best efforts to (a) execute and deliver such further instruments and documents and take such other actions as the other Party may reasonably request to effectuate the purposes of this Agreement and to carry out the terms hereof, and (b) take, or cause to be taken, all actions and do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Law and agreements or otherwise to consummate and make effective the transactions contemplated by this Agreement, including using reasonable best effort to obtain any required consents and approvals and to make any filings and applications necessary or desirable to consummate the transactions contemplated by this Agreement; provided, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, no Party will be obligated to contribute capital or pay any consideration in any form therefor.

Section 7.14 Effect if Distribution Does Not Occur. If the Distribution does not occur, then all actions and events that are to be taken under this Agreement, or otherwise in connection with the Distribution, will not be taken or occur, except to the extent specifically provided by Parent.

Section 7.15 Counterparts; Entire Agreement; Authority; Facsimile Signatures.

(a) *Counterparts.* This Agreement may be executed in one (1) or more counterparts, all of which shall be considered one (1) and the same agreement, and shall become effective when one (1) or more counterparts have been signed by each of the Parties and delivered to the other Party. The provisions of Section 10.1(c) of the Separation and Distribution Agreement shall, for the avoidance of doubt, apply to the execution of this Agreement.

(b) *Entire Agreement*. This Agreement, together with the Separation and Distribution Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(c) *Authority.* Parent represents on behalf of itself, and SpinCo represents on behalf of itself, as follows:

(i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable against it in accordance with the terms hereof.

Section 7.16 Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of Singapore irrespective of rules of conflicts of law, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 7.17 Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, that neither Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

Section 7.18 No Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and do not and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and there are no Third Party beneficiaries of this Agreement and this Agreement shall not provide any Third Party with any remedy, claim, Liability, reimbursement or other right in excess of those existing without reference to this Agreement. Nothing in this Agreement is intended to amend any Benefit Plan or affect Parent or SpinCo or the applicable plan sponsor's right to amend or terminate any Benefit Plan pursuant to the terms of such Benefit Plan. No Employee or Former Employee, officer, director, or independent contractor or any other individual associate therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement.

Section 7.19 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by an arbitrator or by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

Section 7.20 No Set Off. Except as mutually agreed to in writing by the Parties, neither Party nor any other member of such Party's Group shall have any right of set-off or other similar rights with respect to (a) any amounts payable pursuant to this Agreement or (b) any other amounts claimed to be owed to the other Party or any other member of its Group arising out of this Agreement.

Section 7.21 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants and agreements contained in this Agreement, and Liability for the breach of any such obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

Section 7.22 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 7.23 Amendments. No provisions of this Agreement may be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 7.24 Specific Performance. Subject to the provisions of Article VII of the Separation and Distribution Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 7.25 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties, and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

Section 7.26 Predecessors or Successors. Any reference to Parent, SpinCo, a Person or a Subsidiary in this Agreement shall include any predecessors or successors (*e.g.*, by merger or other reorganization, liquidation or conversion) of Parent, SpinCo, such Person or such Subsidiary, respectively.

Section 7.27 Change in Law. Any reference to a provision of the Code or any other Tax Law shall include a reference to any applicable successor provision or Law.

Section 7.28 Limitations of Liability. Notwithstanding anything in this Agreement or the Separation and Distribution Agreement to the contrary, neither SpinCo or any other member of the SpinCo Group, on the one hand, nor Parent or any other member of the RemainCo Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other (other than any such damages awarded to a Third Party with respect to a Third-Party Claim).

Section 7.29 Performance. Parent shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the RemainCo Group. SpinCo shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the SpinCo Group.

Section 7.30 Incorporation. Sections 10.10 (Headings) and 10.15 (Interpretation) the Separation and Distribution Agreement are hereby incorporated in this Agreement as if fully set forth herein.

[Signatures set forth on following page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized representatives.

SunPower Corporation

By: _____
Name:
Title:

Maxeon Solar Technologies, Ltd.

By: _____
Name:
Title:

[*Signature Page to Employee Matters Agreement*]

Exhibit 4.3

FORM OF TRANSITION SERVICES AGREEMENT

BETWEEN

SUNPOWER CORPORATION

AND

MAXEON SOLAR TECHNOLOGIES, LTD.

Dated [•]

FORM OF TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT dated [•], [•] (this "Agreement"), is between SunPower Corporation, a Delaware corporation ("RemainCo"), and Maxeon Solar Technologies, Ltd., a company incorporated under the laws of Singapore ("SpinCo"). RemainCo and SpinCo are sometimes referred to herein individually as a "Party", and collectively as the "Parties".

RECITALS

A. SpinCo and RemainCo are parties to that certain Separation and Distribution Agreement dated as of the [•], 2019 (the "Separation Agreement").

B. In connection with the Separation Agreement, the board of directors of RemainCo (the "RemainCo Board") has determined that it is appropriate and desirable to separate the SpinCo Business from the RemainCo Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis and in accordance with a distribution ratio to be determined by the RemainCo Board, to holders of common shares of RemainCo, $0.001 par value per share, on the Record Date of all the outstanding SpinCo Shares owned by RemainCo (the "Distribution");

C. In connection with the transactions contemplated by the Separation Agreement and in order to ensure a smooth transition following the Separation and Distribution, each Party desires that the other Party provide, or cause its Affiliates or contractors to provide, certain transition services.

In consideration of the forgoing and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined herein, each capitalized term will have the meaning specified for such term in the Separation Agreement. As used in this Agreement:

"Additional RemainCo Service" has the meaning set forth in Section 2.2(a).

"Additional SpinCo Service" has the meaning set forth in Section 2.2(b).

"Agreement" has the meaning set forth in the Preamble.

"Authorized Representative" means, for each Party, any of the individuals listed on Annex A under the name of such Party.

"Availed Party" has the meaning set forth in Section 5.2(b).

"Change of Control" means any "person" (as used within the meaning of Section 13(d) of the Exchange Act, as enacted and in force on the date hereof), in a single transaction or in a related series of transactions, whether by way of purchase, acquisition, tender, exchange or other similar offer or recapitalization, reclassification, consolidation, merger, share exchange, scheme of arrangement or other business combination transaction, becoming the "beneficial owner" (as that term is defined in Rule 13d-3, as enacted and in force on the date hereof, under the Exchange Act) of securities of a Party representing a majority of the combined voting power of such Party's securities then outstanding.

"Data Protection Laws" has the meaning set forth in Section 5.2(a).

"Distribution" has the meaning set forth in the Recitals.

"Fees" means the fees for a particular Service as set forth on Annex B or Annex C as the case may be.

"Force Majeure" means, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics, pandemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment.

"Materials" has the meaning set forth in Section 2.5(a).

"Partial Termination" has the meaning set forth in Section 6.3(a).

"Party" has the meaning set forth in the Preamble.

"Payment Due Date" has the meaning set forth in Section 4.4.

"Prime Rate" has the meaning set forth in Section 4.5.

"Protected Data" has the meaning set forth in Section 5.2(a).

"RemainCo" has the meaning set forth in the Preamble.

"RemainCo Board" has the meaning set forth in the Recitals.

"RemainCo Group" means RemainCo and each Person that is a Subsidiary of RemainCo (other than SpinCo and any other member of the SpinCo Group).

"RemainCo Indemnitees" has the meaning set forth in Section 7.2.

"RemainCo Services" means the Services generally described on Annex B and any other Service provided by RemainCo or any of its Subsidiaries pursuant to this Agreement.

"Safety and Security Policies" has the meaning set forth in Section 5.2(b).

"Sales Taxes" has the meaning set forth in Section 4.2.

"Separation" has the meaning set forth in the Recitals.

"Separation Agreement" has the meaning set forth in the Recitals.

"Service Provider" means (a) in the case of RemainCo Services, RemainCo or any of its Subsidiaries providing a RemainCo Service hereunder, or (b) in the case of SpinCo Services, SpinCo or any of its Subsidiaries providing a SpinCo Service hereunder.

"Service Recipient" means (a) in the case of RemainCo Services, SpinCo or any of its Subsidiaries receiving a RemainCo Service hereunder, or (b) in the case of SpinCo Services, RemainCo or any of its Subsidiaries receiving a SpinCo Service.

"Service Recipient Data" means all of the data and information owned and provided solely by the Service Recipient, or created by the Service Provider solely on behalf, or for the benefit, of the Service Recipient (including any such data and information created by the Service Provider or the Service Recipient using the Service Provider's computer systems or software) in relation to the provision of the Services.

"Service Term" means the term for a particular Service as set forth on Annex B or Annex C, as the case may be.

"Services" means the RemainCo Services or the SpinCo Services, individually, or the RemainCo Services and the SpinCo Services, collectively, as the context may indicate.

"SpinCo" has the meaning set forth in the Preamble.

"SpinCo Services" means the Services generally described on Annex C and any other Service provided by SpinCo or any of its Subsidiaries pursuant to this Agreement.

"Systems" has the meaning set forth in Section 5.2(b).

"Term" has the meaning set forth in Section 6.1.

"Term Extension" has the meaning set forth in Section 6.2.

ARTICLE II
PERFORMANCE AND SERVICES

Section 2.1 General.

(a) During the Term, and subject to the terms and conditions of this Agreement, RemainCo will use commercially reasonable efforts to provide, or cause to be provided, the RemainCo Services to SpinCo and its Subsidiaries. The applicable Fee for each RemainCo Service will be the specified Fee for such RemainCo Service set forth on Annex B, and the applicable Service Term for each RemainCo Service will be the specified Service Term for such RemainCo Service set forth on Annex B, in each case, subject to adjustment for each Term Extension as provided in Section 6.2. Notwithstanding anything to the contrary contained herein or on any Annex, RemainCo will have no obligation under this Agreement to: (i) operate the SpinCo Business or any portion thereof (it being acknowledged and agreed by RemainCo and SpinCo that providing the RemainCo Services will not be deemed to be operating the SpinCo Business or any portion thereof); (ii) advance funds or extend credit to SpinCo; (iii) hire new employees for the purpose of providing the RemainCo Services; (iv) provide RemainCo Services to any Person other than members of the SpinCo Group; or (v) implement systems, processes, technologies, plans or initiatives developed, acquired or utilized by RemainCo whether before or after the Distribution Date.

(b) During the Term, and subject to the terms and conditions of this Agreement, SpinCo will use commercially reasonable efforts to provide, or cause to be provided, the SpinCo Services to RemainCo and the other members of the RemainCo Group. The applicable Fee for each SpinCo Service will be the specified Fee for such SpinCo Service set forth on Annex C, and the applicable Service Term for each SpinCo Service will be the specified Service Term for such SpinCo Service set forth on Annex C, in each case, subject to adjustment for each Term Extension as provided in Section 6.2. Notwithstanding anything to the contrary contained herein or on any Annex, SpinCo will have no obligation under this Agreement to: (i) operate the RemainCo Business or any portion thereof (it being acknowledged and agreed by RemainCo and SpinCo that providing the SpinCo Services will not be deemed to be operating the RemainCo Business or any portion thereof); (ii) advance funds or extend credit to RemainCo; (iii) hire new employees for the purpose of providing the SpinCo Services; (iv) provide SpinCo Services to any Person other than members of the RemainCo Group; or (v) implement systems, processes, technologies, plans or initiatives developed, acquired or utilized by SpinCo whether before or after the Distribution Date.

(c) Notwithstanding anything to the contrary in this Agreement, neither RemainCo nor SpinCo (nor any of their respective Subsidiaries) will be required to perform Services hereunder or take any actions relating thereto that conflict with or violate any applicable Law, contract, license, sublicense, authorization, certification or permit.

Section 2.2 Additional Services.

(a) If SpinCo reasonably determines that additional transition services (not listed on Annex B) of the type previously provided by members of the RemainCo Group to the SpinCo Business are necessary to conduct the SpinCo Business, and SpinCo or its Subsidiaries are not able to provide such services to the SpinCo Business, then SpinCo may provide written notice thereof to RemainCo. Upon receipt of such notice by RemainCo, RemainCo will provide such additional service during the Term, subject to agreement between the Parties regarding an amendment to Annex B setting forth the additional service (each such service an "Additional RemainCo Service"), the terms and conditions for the provision of such Additional RemainCo Service and the Fees payable by SpinCo for such Additional RemainCo Service, such Fees to be determined on an arm's-length basis.

(b) If RemainCo reasonably determines that additional transition services (not listed on Annex C) of the type previously provided by members of the SpinCo Group to the RemainCo Business are necessary to conduct the RemainCo Business, and RemainCo or its Subsidiaries are not able to provide such services to the RemainCo Business, then RemainCo may provide written notice thereof to SpinCo. Upon receipt of such notice by SpinCo, SpinCo will provide such additional service during the Term, subject to agreement between the Parties regarding an amendment to Annex C setting forth the additional service (each such service an "Additional SpinCo Service"), the terms and conditions for the provision of such Additional SpinCo Service and the Fees payable by RemainCo for such Additional SpinCo Service, such Fees to be determined on an arm's-length basis.

Section 2.3 Service Requests. Any requests by a Party to the other Party regarding the Services or any modification or alteration to the provision of the Services must be made by an Authorized Representative (it being understood that the receiving Party will not be obligated to agree to any modification or alteration requested thereby). Notwithstanding anything to the contrary hereunder, each Party may avail itself of the remedies set forth in Section 6.4 without fulfilling the notice requirements of this Section 2.3.

Section 2.4 Access.

(a) Subject to Section 5.2, SpinCo, at the reasonable request of RemainCo, will make available on a timely basis to RemainCo all information reasonably requested by RemainCo to enable it to provide the RemainCo Services. SpinCo will give RemainCo and its Affiliates, employees, agents and representatives, as reasonably requested by RemainCo, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of the SpinCo Business for the purposes of providing the RemainCo Services.

(b) Subject to Section 5.2, RemainCo, at the reasonable request of SpinCo, will make available on a timely basis to SpinCo all information reasonably requested by SpinCo to enable it to provide the SpinCo Services. RemainCo will give SpinCo and its Affiliates, employees, agents and representatives, as reasonably requested by SpinCo, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of the RemainCo Business for the purposes of providing the SpinCo Services.

Section 2.5 Books and Records; Retention and Transfer of Materials and Service Recipient Data.

(a) For a period of 36 months following termination of this Agreement, the Service Provider will retain all books, records, files, databases or computer software or hardware (including current and archived copies of computer files) (the "Materials") with respect to matters relating to the Services provided to the Service Recipient hereunder that are in a form and contain a level of detail substantially consistent with the records retention policies of the Service Provider prior to the Distribution Date. The Service Provider will make such Materials available to the Service Recipient for its review, upon reasonable notice, at the Service Recipient's expense, during regular business hours, including in order to verify disputed charges under Section 4.6. If at any time during the 36-month period following the termination of this Agreement, the Service Recipient reasonably requests in writing that certain Materials be delivered to the Service Recipient, the Service Provider promptly will arrange for the delivery of the requested Materials in a form reasonably requested by the Service Recipient to a location specified by, and at the expense of, the Service Recipient. As promptly as practicable following the expiration of the Service Term (or earlier termination pursuant to Section 6.3) of a Service, the Service Provider will use commercially reasonable efforts to furnish to the Service Recipient, and assist in the transition of Materials belonging to the Service Recipient and relating to such Service as clearly identified by the Service Recipient.

(b) The Service Recipient Data will be and will remain the property of the Service Recipient. The Service Provider will use the Service Recipient Data solely to provide the Services to the Service Recipient as set forth herein and for no other purpose whatsoever. During the Term, the Service Provider will, to the extent reasonably practicable, promptly provide the Service Recipient Data to the Service Recipient upon the Service Recipient's reasonable request and at the Service Recipient's expense. As promptly as practicable following the termination or expiration of this Agreement for any reason, the Service Provider will use commercially reasonable efforts to deliver to the Service Recipient or destroy (and certify such destruction in writing if so requested by the Service Recipient), at Service Recipient's option, all Service Recipient Data; provided, however, that the Service Provider will not be required to erase or destroy Service Recipient Data included in computer files stored securely by the Service Provider that are created during automatic system backups.

(c) Notwithstanding anything herein to the contrary, and subject to Section 5.1, the Service Provider may retain copies of the Materials and the Service Recipient Data in accordance with policies and procedures implemented by the Service Provider to comply with applicable Law, professional standards or reasonable business practice, including document retention policies as in effect from time to time and in accordance with past practices.

ARTICLE III
SERVICE QUALITY; INDEPENDENT CONTRACTOR

Section 3.1 Service Quality.

(a) The Service Provider will perform the Services in a manner and quality that is substantially consistent with the Party's past practice (including as to quantity) in performing the Services for the SpinCo Business or RemainCo Business, as applicable, and in any event in compliance with any terms or service levels set forth on the applicable Annex. The Service Recipient will use the Services in substantially the same manner and on substantially the same scale as they were used by such Party and its Affiliates in the past practice of the SpinCo Business or RemainCo Business, as applicable, prior to the Distribution Date.

(b) Each Party acknowledges and agrees that certain of the Services to be provided under this Agreement have been, and will continue to be provided (in accordance with this Agreement and the Annexes hereto) to the RemainCo Business or the SpinCo Business, as applicable, by third parties designated by the Party responsible for providing such Services hereunder. To the extent so provided, the Party responsible for providing such Services will use commercially reasonable efforts to (i) cause such third parties to provide such Services under this Agreement and/or (ii) enable the Party seeking the benefit of such Services and its Subsidiaries to avail itself of such Services; provided, however, that if any such third party is unable or unwilling to provide any such Services, the Parties agree to use their commercially reasonable efforts to determine the manner, if any, in which such Services can best be provided (it being acknowledged and agreed that any costs or expenses to be incurred in connection with obtaining a third party to provide any such Services will be paid by the Party to which such Services are provided; provided further that the Party responsible for providing such Services will use commercially reasonable efforts to communicate the costs or expenses expected to be incurred in advance of incurring such costs or expenses).

Section 3.2 Independent Contractor; Assets.

(a) The Parties are independent contractors. All employees and representatives of a Party and any of its Subsidiaries involved in providing Services will be under the exclusive direction, control and supervision of the Party or its Subsidiaries (or their subcontractors) providing such Services, and

not of the Service Recipient. The Party or its Subsidiaries (or their subcontractors) providing the Services will be solely responsible for compensation of its employees, and for all withholding, employment or payroll taxes, unemployment insurance, workers' compensation, and any other insurance and fringe benefits with respect to such employees. The Party or its Subsidiaries (or their subcontractors) providing the Services will have the exclusive right to hire and fire any of its employees in accordance with applicable Law. The Service Recipient will have no right to direct and control any of the employees or representatives of the Party or its Subsidiaries (or their subcontractors) providing such Services.

All procedures, methods, systems, strategies, tools, equipment, facilities and other resources used by a Party, any of its Subsidiaries or any third party service provider in connection with the provision of the Services hereunder will remain the property of such Party, its Subsidiaries or such service providers and, except as otherwise provided herein, will at all times be under the sole direction and control of such Party, its Subsidiaries or such third party service provider. Without limiting any license set forth in that certain Cross License Agreement, dated [•], 2019, between the Parties, or any other agreement between the Parties, no license under any patents, know-how, trade secrets, copyrights or other rights is granted by this Agreement or any disclosure in connection with this Agreement by either Party.

Section 3.3 Uses of Services. The Service Provider will be required to provide the Services only to the Service Recipient and the Service Recipient's Subsidiaries in connection with the Service Recipient's operation of the SpinCo Business or RemainCo Business, as applicable. The Service Recipient may not resell any Services to any Person whatsoever or permit the use of such Services by any Person other than in connection with (a) the operation of the SpinCo Business or RemainCo Business, as applicable, in the ordinary course of business or (b) effecting the Separation.

Section 3.4 Modification of Services. The Parties agree that each Service Provider may make changes from time to time in the manner of performing the applicable Service if such Service Provider is making similar changes in performing similar services for itself, its Affiliates or other third parties, if any, provided that such Service Provider furnishes to the Service Recipient substantially the same notice (in content) as such Service Provider provides to its Affiliates or third parties, if any, respecting such changes; provided further that each Service Provider may make any of the following changes without obtaining the prior consent of, and without prior notice to, the Service Recipient: (a) changes to the process of performing a particular Service that do not adversely affect the benefits to the Service Recipient in any material respect or materially increase the charge for such Service; (b) emergency changes on a temporary and short-term basis; and (c) changes to a particular Service in order to comply with applicable Law.

Right to Suspend Services. Notwithstanding anything to the contrary in this Agreement, neither Service Provider will be required to provide, and will incur no liability for not providing, all or any part of any Service to the extent: (1)(a) the performance of such Service would require such Service Provider to violate any applicable Law, (b) a third party service provider or other third party asset used to provide any Service ceases to be, or otherwise is not, available to such Service Provider on commercially reasonable terms or (c) prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure and (2)(a) in the case of clauses (1)(a) and (1)(b), (i)only to the extent reasonably necessary for such Service Provider to address the issue raised; (ii) to the extent practicable, only after such Service Provider has applied commercially reasonable efforts to reduce the amount or effect of any such restrictions; and (iii) if such Service Provider has delivered written notice thereof to the Service Recipient and (b) in the case of clause (1)(c), only to the extent provided in Section 8.7.

Section 3.5 Transition of Responsibilities. Each Party agrees to use commercially reasonable efforts to reduce or eliminate its and its Subsidiaries' dependence on each Service as soon as is reasonably practicable. Each Party agrees to cooperate with the other Party to facilitate the smooth transition of the Services being provided to the Service Recipient by the Service Provider.

Section 3.6 Disclaimer of Warranties. Except as expressly set forth in this Agreement: (i) each Party acknowledges and agrees that the other Party makes no warranties of any kind with respect to the Services to be provided hereunder; and (ii) each Party hereby expressly disclaims all warranties with respect to the Services to be provided hereunder, as further set forth immediately below.

> EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT WILL BE PROVIDED AS-IS, WHERE-IS, WITH ALL FAULTS, AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, TITLE OR ANY OTHER WARRANTY WHATSOEVER.

ARTICLE IV
FEES; PAYMENT

Section 4.1 Fees. The Service Recipient will pay the Service Provider the Fees for the Services provided by such Service Provider under this Agreement. The Fees for the RemainCo Services are set forth on Annex B and the Fees for the SpinCo Services are set forth on Annex C, in each case, subject to adjustment for each Term Extension as provided in Section 6.2.

Section 4.2 Taxes. All Fees to be paid are exclusive of any applicable taxes required by Law to be collected from the Service Recipient (including withholding, sales, use, excise or service tax, which may be assessed on the provision of any Service). If a withholding, sales, use, excise, services or similar tax is assessed on the provision of any of the Services, the Service Recipient will pay directly, or reimburse or indemnify the Service Provider for, such tax. In addition to any amounts otherwise payable hereunder, the Service Recipient will be responsible for any and all sales, use, excise,

services or similar taxes imposed on the provision of goods and services by the Service Provider to the Service Recipient ("Sales Taxes") and will either (a) remit such Sales Taxes to the Service Provider (and the Service Provider will remit the amounts so received to the applicable Governmental Authority), or (b) provide the Service Provider with a certificate or other proof, reasonably acceptable to the Service Provider evidencing an exemption from liability for such Sales Taxes. The Parties further agree that, notwithstanding the foregoing, neither Party will be required to pay any franchise taxes, taxes based on the income of the other Party or personal property taxes on property owned or leased by a Party and used by such Party to provide Services.

Section 4.3 Invoices and Payment. Unless otherwise specified in Annex B or Annex C, within 30 days following the end of each month during the Term (or within 30 days after receipt of a third party supplier's invoice in the case of Services that are provided by a third party supplier), the Service Provider will submit to the Service Recipient for payment a written statement of amounts due under this Agreement for such month. The statement will set forth the Fees, in the aggregate and itemized, based on the descriptions set forth on Annex B or Annex C, as the case may be. Each statement will specify the nature of any amounts due for any Fees as set forth on Annex B or Annex C and will contain reasonably satisfactory documentation in support of such amounts as specified therein and such other supporting detail as the Service Recipient may reasonably require to validate such amounts due.

Section 4.4 Timing of Payment. Unless otherwise specified in Annex B or Annex C, the Service Recipient will pay all amounts due pursuant to each invoice under this Agreement no later than 30 days following the Service Recipient's receipt of such invoice (or, in the case of Services that are provided by a third party supplier, no later than 30 days following receipt of invoice by the Service Recipient) (the "Payment Due Date").

Section 4.5 Non-Payment; Offsets. In the event that the Service Provider is not paid in full under this Agreement, and has not been paid within two business days following notification for a failure to pay, such Service Provider will be entitled to offset amounts owed to the Service Recipient under the Supply Agreement, Product Collaboration Agreement or other agreements entered into between the Parties in connection with the transactions contemplated by the Separation Agreement. The remedies provided to each Party by this Section 4.5 and by Section 6.4 will be cumulative with respect to any other applicable provisions of this Agreement. Payments made after the date they are due will bear interest at an annual rate equal to that published by *The Wall Street Journal* as its prime rate (the "Prime Rate") plus 2.0% (compounded monthly), provided that in no event will the aggregate amount of interest accrued in relation to any overdue payment exceed 10% of the entire amount of such payment.

Section 4.6 Payment Disputes. The Service Recipient may object to any amounts for any Service invoiced to it at any time before, at the time of, or after payment is made, provided such objection is made in writing to the Service Provider within 60 days following receipt of invoice by the Service Recipient. The Service Recipient will timely pay the disputed items in full while resolution of the dispute is pending; provided,

however, that the Service Provider will pay interest at an annual rate equal to the Prime Rate plus 2.0% (compounded monthly) on any amounts it is required to return to the Service Recipient upon resolution of the dispute, provided further that in no event will the aggregate amount of interest accrued in relation to any returned payment exceed 10% of the amount of such returned payment. Payment of any amount will not constitute approval thereof. Any dispute under this Section 4.6 will be resolved in accordance with the provisions of Section 7.8.

ARTICLE V
CONFIDENTIALITY

Confidentiality. Each Party agrees that the specific terms and conditions of this Agreement and any information, Service Recipient Data and Materials conveyed or otherwise received by or on behalf of a Party in conjunction herewith are confidential and are subject to the terms of the confidentiality provisions set forth in Section 6.9 of the Separation Agreement. Furthermore, no later than 10 business days after the date hereof, each Service Provider shall provide each Service Recipient with separate lists of the personnel and support staff performing or otherwise carrying out, or reasonably expected to perform or carry out the Services for such Service Recipient that should, in the reasonable judgment of such Service Provider, be subject to any "insider trading" or similar policies of such Service Recipient and, if any personnel or support staff are added to such group or removed or replaced therefrom, such Service Provider shall provide such Service Recipient with updates to such list. Each Service Provider covenants and agrees to cause any employee and contractor performing the Services to comply with any "insider trading" or "code of conduct" policies of the Service Recipient.

Section 5.1 Security.

(a) In this Section 5.2, the terms "personal data" and "processing" shall have the same meaning ascribed to them as under applicable data protection, privacy or similar Laws in the relevant country (the "Data Protection Laws"). Notwithstanding Section 5.2(b), each party shall comply with Data Protection Laws that may apply in relation to any personal data processed in connection with this Agreement (the "Protected Data").

If either Party (including its Affiliates and their employees, authorized agents and subcontractors) is given access to the other Party's computer systems or software (collectively, "Systems"), premises, equipment, facilities or data in connection with the Services, the Party given access (the "Availed Party") will comply with (and will cause its Affiliates, and their employees, authorized agents and subcontractors to comply with) all of the other Party's policies and procedures in relation to the use and access of the other Party's Systems, premises, equipment, facilities or data (collectively, "Safety and Security Policies"), and will not tamper with, compromise or circumvent any safety, security or audit measures employed by such other Party. The Availed Party will access and use only those Systems, premises, equipment, facilities and data of the other Party for which it has been granted the right to access and use. All personnel given access to

the Systems of the other Party shall execute a customary confidentiality and data access agreement in form and substance reasonably acceptable to the owner of such Systems.

(b) Each Party will use commercially reasonable efforts to ensure that only those of its personnel who are specifically authorized to have access to the Systems, premises, equipment, facilities and data of the other Party gain such access, and use commercially reasonable efforts to prevent unauthorized access, use, destruction, alteration or loss of such Systems, premises, equipment, facilities or data (including, in each case, any information contained therein), including notifying its personnel of the restrictions set forth in this Agreement and of the Safety and Security Policies.

(c) If, at any time, the Availed Party determines that any of its personnel has sought to circumvent, or has circumvented, the Safety and Security Policies, that any unauthorized Availed Party personnel has accessed the Systems, premises, equipment, facilities or data, or that any of its personnel has engaged in activities that lead to the unauthorized access, use, destruction, alteration or loss of, or damage to, premises, facilities, equipment, data, information or software of the other Party, the Availed Party will promptly terminate any such person's access to the Systems, premises, equipment, facilities or data and promptly notify the other Party. In addition, such other Party will have the right to deny personnel of the Availed Party access to its Systems, premises, equipment, facilities or data upon notice to the Availed Party in the event that the other Party reasonably believes that such personnel have engaged in any of the activities set forth above in this Section 5.2(d) or otherwise pose a security concern. The Availed Party will use commercially reasonable efforts to cooperate with the other Party in investigating any apparent unauthorized access to such other Party's Systems, premises, equipment, facilities or data.

(d) If any Systems, premises, equipment or facilities of a Party are damaged (ordinary wear and tear excepted) due to the conduct of the Availed Party or any of its Affiliates, or their employees, authorized agents or subcontractors, the Availed Party will be liable to the other Party for all costs associated with such damage, to the extent such costs exceed any available insurance proceeds.

ARTICLE VI
TERMINATION

Section 6.1 Term. The initial term of this Agreement (the "Term") will commence on the Distribution Date and end on the earliest to occur of (a) the one-year anniversary of the Distribution Date, subject to Section 6.2, (b) the date on which the provision of all Services has been terminated by the Parties pursuant to Section 6.3 and (c) the date this Agreement is terminated pursuant to Section 6.4.

Option to Extend Term. Upon mutual written agreement of the Parties prior to the end of the Service Term for such Service, the Parties will extend the Service Term of such Service for up to 180 days (or for such other period specified in Annex B, Annex C or otherwise agreed to by the Parties in writing with respect to such Service, but no more than 180 days), on the terms and conditions contained in this Agreement (such extension, a "Term Extension"). In the event a Term Extension for a Service would exceed the Term of this Agreement, the Term of this Agreement will be extended for the duration of the Term Extension. The Parties agree that during the Term Extension for a Service, unless otherwise specified in Annex B or Annex C with respect to such Service, the Fees for such Service will be increased by an additional 25% of the Fee for such Service set forth in Annex B or Annex C, unless otherwise agreed to in writing by the Parties prior to the start of such Term Extension for such Service. Notwithstanding anything to the contrary in this Section 6.2, there may not be more than one Term Extension per Service.

Section 6.2 Partial Termination.

(a) The Service Recipient will provide no less than 30 days written notice (unless a shorter time is mutually agreed upon by the Parties or unless otherwise specified in Annex B or Annex C with respect to a Service) to the Service Provider of any Services that, prior to the expiration of the Service Term or Term Extension, are no longer needed from the Service Provider, in which case this Agreement will terminate as to such Services (a "Partial Termination"). The Parties will mutually agree as to the effective date of any Partial Termination.

(b) In the event of any termination prior to the scheduled expiration of the Service Term or of any Partial Termination hereunder, with respect to any terminated Services in which the Fee for such terminated Services is charged as a flat monthly rate, if termination occurs other than the end of the month, there will be no proration of the monthly rate. To the extent any amounts due or advances made hereunder related to costs or expenses that have been or will be incurred and that cannot be recovered by the Service Provider, such amounts due or advances made will not be prorated or reduced and the Service Provider will not be required to refund to the Service Recipient any prorated amount for such costs or expenses; and the Service Recipient will reimburse the Service Provider for (i) Service Recipient's proportional share of any third party costs or charges that are required to be paid in connection with the provision of any Services and that cannot be terminated and (ii) any third party cancellation or similar charges incurred as a result of the Service Recipient's early termination.

Section 6.3 Termination of Entire Agreement. Subject to the provisions of Section 6.6, a Party will have the right to terminate this Agreement or effect a Partial Termination effective upon delivery of written notice to the other Party if:

(a) the other Party or such other Party's direct or indirect parent Affiliate makes an assignment for the benefit of creditors, or becomes bankrupt or insolvent, or is petitioned into bankruptcy, or takes advantage (with respect to its own property and business) of any state, federal or foreign bankruptcy or insolvency act, or if a receiver or receiver/manager is appointed for all or any substantial part of its property and business and such receiver or receiver/manager remains undischarged for a period of 30 days;

(b) the other Party materially defaults in the performance of any of its covenants or obligations contained in this Agreement and such default is not remedied within 30 days after receipt of written notice by the defaulting Party informing such Party of such default;

(c) the other Party undergoes a Change of Control; or

(d) the other Party or any of such other Party's Affiliates engages in any act of gross negligence, willful misconduct, fraud or reckless disregard.

Section 6.4 Procedures on Termination. Following any termination of this Agreement or Partial Termination, each Party will cooperate with the other Party as reasonably necessary to avoid disruption of the ordinary course of the other Party's and its Subsidiaries' businesses. Termination will not affect any right to payment for Services provided prior to termination.

Section 6.5 Effect of Termination. Section 4.1 and Section 4.2 (in each case, with respect to Fees and Taxes attributable to periods prior to termination), Section 2.5, Section 3.2, Section 4.3, Section 4.4, Section 4.5, Section 4.6, and Section 6.5, this Section 6.6 and ARTICLE V, ARTICLE VII and ARTICLE VIII will survive any termination of this Agreement. In the event of a Partial Termination, this Agreement will remain in full force and effect with respect to the Services which have not been terminated by the Parties as provided herein. For the avoidance of doubt, the termination of this Agreement with respect to the Services provided under one Annex, but not the other Annex, will not be a termination of this Agreement.

ARTICLE VII
INDEMNIFICATION AND DISPUTE RESOLUTION

Section 7.1 Limitation of Liability.

(a) No Party nor any of such Party's Affiliates will be liable, whether in contract, tort (including negligence and strict liability) or otherwise, for any special, indirect, punitive, incidental or consequential damages whatsoever that in any way arise out of, relate to, or are a consequence of, its performance or nonperformance hereunder, or the provision of or failure to provide any Service hereunder, including loss of profits, diminution in value, business interruptions and claims of customers, whether or not such damages are foreseeable or any Party has been advised of the possibility or likelihood of such damages.

(b) Except for Liabilities arising out of or related to the gross negligence, willful misconduct or bad faith of the defaulting Party or in respect of ARTICLE V, in no event will a Party's cumulative aggregate liability arising under or in connection with this Agreement (or the provision of Services hereunder) exceed the amount of Fees paid or payable to such Party from the other Party pursuant to this Agreement in respect of the Service from which such Liability flows.

(c) Each Party will use commercially reasonable efforts to mitigate the Liabilities for which the other is responsible hereunder.

Indemnification by SpinCo. SpinCo will indemnify, defend and hold harmless each of RemainCo, each other member of the RemainCo Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "RemainCo Indemnitees") for any Liabilities attributable to any third party claims asserted against them to the extent arising from or relating to: (a) any material breach of this Agreement by SpinCo; (b) any gross negligence, willful misconduct, fraud or bad faith by SpinCo, the other members of the SpinCo Group, or its or their employees, suppliers or contractors, in the provision of the SpinCo Services by SpinCo, the other members of the SpinCo Group or its or their employees, suppliers or contractors pursuant to this Agreement; and (c) the provision of the RemainCo Services by RemainCo, the other members of the RemainCo Group or its or their employees, suppliers or contractors, except to the extent that such third party claims for Liabilities are finally determined by a court of competent jurisdiction to have arisen out of the material breach of this Agreement, gross negligence, willful misconduct or bad faith of RemainCo, the other members of the RemainCo Group or its or their employees, suppliers or contractors in providing the RemainCo Services.

Section 7.2 Indemnification by RemainCo. RemainCo will indemnify, defend and hold harmless each of the SpinCo Indemnitees for any Liabilities attributable to any third party claims asserted against them to the extent arising from or relating to: (a) any material breach of this Agreement by RemainCo; (b) any gross negligence, willful misconduct, fraud or bad faith by RemainCo, the other members of the RemainCo Group, or its or their employees, suppliers or contractors, in the provision of the RemainCo Services by RemainCo, the other members of the RemainCo Group or its or their employees, suppliers or contractors pursuant to this Agreement; and (c) the provision of the SpinCo Services by SpinCo, the other members of the SpinCo Group or its or their employees, suppliers or contractors, except to the extent that such third party claims for Liabilities are finally determined by a court of competent jurisdiction to have arisen out of the material breach of this Agreement, gross negligence, willful misconduct or bad faith of SpinCo, the other members of the SpinCo Group or its or their employees, suppliers or contractors in providing the SpinCo Services.

Section 7.3 Exclusive Remedy. Except for equitable relief and rights pursuant to Section 4.2, Section 4.5 or ARTICLE V, the indemnification provisions of this ARTICLE VII will be the exclusive remedy for breach of this Agreement.

Section 7.4 Risk Allocation. Each Party agrees that the Fees charged under this Agreement reflect the allocation of risk between the Parties, including the disclaimer of warranties in Section 3.7 and the limitations on liability in Section 7.1. Modifying the allocation of risk from what is stated here would affect the Fees that each Party charges, and in consideration of those Fees, each Party agrees to the stated allocation of risk.

Section 7.5 Indemnification Procedures. All claims for indemnification pursuant to Section 4.2 or this ARTICLE VII will be made in accordance with the provisions set forth in Article IV of the Separation Agreement. Notwithstanding anything to the contrary hereunder, neither Party may assert against the other Party or submit to arbitration or legal proceedings any cause of action, dispute or claim for indemnification which accrued more than two years after the later of (a) the occurrence of the act or event giving rise to the underlying cause of action, dispute or claim and (b) the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the Party asserting the cause of action, dispute or claim.

Section 7.6 Express Negligence. THE INDEMNITY, RELEASES AND LIMITATIONS OF LIABILITY IN THIS AGREEMENT (INCLUDING ARTICLE II AND THIS ARTICLE VII) ARE INTENDED TO BE ENFORCEABLE AGAINST THE PARTIES IN ACCORDANCE WITH THE EXPRESS TERMS AND SCOPE THEREOF NOTWITHSTANDING ANY EXPRESS NEGLIGENCE RULE OR ANY SIMILAR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE NEGLIGENCE OR GROSS NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT OR ACTIVE OR PASSIVE) OR OTHER FAULT OR STRICT LIABILITY OF ANY OF THE INDEMNIFIED PARTIES.

Section 7.7 Dispute Resolution. Any Dispute arising out of or relating to this Agreement will be resolved as provided in Article VII of the Separation Agreement.

ARTICLE VIII
MISCELLANEOUS

Counterparts; Entire Agreement; Corporate Power; Facsimile Signatures.

This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

This Agreement, including the Annexes hereto and the sections of the Separation Agreement referenced herein, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. Notwithstanding anything herein to the contrary, unless expressly set forth therein, in the case of any conflict between this Agreement and the Product Collaboration Agreement in relation to matters specifically addressed in the Product Collaboration Agreement, the Product Collaboration Agreement will control.

Each Party represents and warrants to the other Party as follows:

it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the Laws of the Republic of Singapore without regard to rules of conflicts of laws.

Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

No Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Indemnitee in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties, and do not and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third party beneficiaries of this Agreement and this Agreement will not provide any third party with any remedy, claim, Liability, reimbursement or other right in excess of those existing without reference to this Agreement.

Notices. All notices, requests, claims, demands or other communications under this Agreement will be in writing and will be given or made (and will be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or email (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as will be specified in a notice given to the other Party in accordance with this Section 8.5):

If to RemainCo, to:

SunPower Corporation
51 Rio Robles
San Jose, California 95134
Attention: General Counsel
Email: legalnoticesunpower@sunpower.com

If to SpinCo to:

[•].
[•]
[•]
[•]
Attention: [•]
Facsimile: [•]

A Party may, by notice to the other Party, change the address to which such notices are to be given.

Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by an arbitrator or by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

Force Majeure. No Party will be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) will be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision will, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition and (b) use commercially reasonable efforts to remove and/or mitigate any such causes and resume performance under this Agreement as soon as reasonably practicable.

Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by another Party of any provision of this Agreement will not be deemed a waiver by the waiving Party of any subsequent or other default, nor will it prejudice the rights of another Party. No failure or delay by a Party in exercising any right, power or privilege under this

Agreement will operate as a waiver thereof, nor will a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Amendments. No provisions of this Agreement may be waived, amended, supplemented or modified, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Interpretation. In this Agreement (a) words in the singular will be deemed to include the plural and vice versa and words of one gender will be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Annexes hereto) and not to any particular provision of this Agreement; (c) Annex, Article, Section, Schedule and Exhibit references are to the Annexes, Articles, Sections, Schedules and Exhibits to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement) will be deemed to include the exhibits, schedules and annexes to such agreement; (e) references to "$" will mean U.S. dollar; (f) the word "including" and words of similar import when used in this Agreement will mean "including, without limitation," unless otherwise specified; (g) the word "or" will not be exclusive; (h) unless otherwise specified in a particular case, the word "days" refers to calendar days; (i) references to "written" or "in writing" include in electronic form; (j) references to "business day" will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Singapore, as the context requires; (k) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (l) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import will all be references to the date set forth in the Preamble.

Performance. RemainCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the RemainCo Group. SpinCo will cause to be performed, and hereby guarantee the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the SpinCo Group.

Mutual Drafting. This Agreement will be deemed to be the joint work product of the Parties, and any rule of construction that a document will be interpreted or construed against a drafter of such document will not be applicable.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

SunPower Corporation

By: _____
Name:
Title:

Maxeon Solar Technologies, Ltd.

By: _____
Name:
Title:

Exhibit 4.4

FORM OF SUPPLY AGREEMENT

This Supply Agreement (this "Agreement"), dated as of [•], 2020 (the "Effective Date"), is by and between SunPower Corporation, a corporation organized and existing under the laws of the State of Delaware, USA ("SPWR" or "Customer"), and Maxeon Solar Technologies, Ltd., a corporation organized and existing under the laws of Singapore ("SpinCo" or "Supplier"). SPWR and SpinCo may also be referred to individually as a "Party" or together as the "Parties."

BACKGROUND

A. SPWR, directly and indirectly, designs, markets, and sells products for use by the solar industry in the Territory and provides services to solar industry customers within the Territory.

B. SpinCo, directly and indirectly, designs, manufactures, markets, distributes, and sells products to solar industry customers within and outside of the Territory.

C. SPWR and SpinCo are parties to that certain Separation and Distribution Agreement dated as of November 8, 2019 (the "Separation Agreement"). In connection with the transactions contemplated by the Separation Agreement, the Parties have agreed to enter into this Agreement to govern the terms and conditions on which SpinCo will supply, sell, and deliver Products to SPWR or its designees for use in the Territory.

AGREEMENT

In consideration of the forgoing and the mutual covenants and agreements contained herein and in the Separation Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Defined Terms. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Separation Agreement. As used in this Agreement, the following terms have the meanings given to them below:

"Agreed Minimum Quarterly Commitments" has the meaning set forth in Section 4(a)(i).

"Agreement" has the meaning set forth in the Preamble.

"Anti-Corruption Laws" has the meaning set forth in Section 11(b)(iii).

"Blanket PO" has the meaning set forth in Section 4(a)(ii).

"Code" means the Internal Revenue Code of 1986 and the regulations promulgated thereunder, as amended from time to time.

"Confidential Information" means any information or materials that a Party (or its representatives) discloses to the other Party (or its representatives) in connection with this Agreement and designated by the disclosing Party as confidential or proprietary at the time of disclosure, and any other information or materials disclosed by a Party (or its representatives) to the other Party (or its representatives) in connection with this Agreement that should reasonably be understood to be confidential by the recipient at the time of the disclosure, including, without limitation, the Product Specifications and pricing.

"Customer" has the meaning set forth in the Preamble.

"Damages" has the meaning set forth in Section 10(b)(i).

"Direct Market Segment" means, subject to the Segment Exclusions, all applications where solar panels are procured for installation in the Territory, including applications where solar panels are installed for the benefit and use of multiple customers, such as community solar applications.

"Disclosing Party" has the meaning set forth in Section 9(a).

"Dispute" has the meaning set forth in Section 10(a).

"Effective Date" has the meaning set forth in the Preamble.

"Exclusivity Period" means (a) with respect to the Direct Market Segment, the period commencing on the Effective Date and ending on the one-year anniversary thereof, and (b) with respect to the Residential and Indirect Market Segment, the period commencing on the Effective Date and ending on the two-year anniversary thereof.

"Fallout Product" has the meaning set forth in Section 4(d)(ii).

"Firm Order" has the meaning set forth in Section 4(a)(ii).

"Force Majeure Event" has the meaning set forth in Section 11(c).

"Governmental Authority" means any governmental, regulatory or administrative authority, instrumentality, board, agency, body or commission, self-regulatory organization or any court, tribunal, or judicial or arbitral body of the United States, Singapore, or any other applicable jurisdiction.

"Law" means any law, statute, code, ordinance, rule, regulation, or other requirement of any Governmental Authority.

"MLPE" has the meaning set forth in Section 2(d).

"Non-Fungible Products" means Products manufactured specifically to Customer's customized requirements (in addition to the Specifications).

"Party" or "Parties" has the meaning set forth in the Preamble.

"Product Collaboration Agreement" means that certain Product Collaboration Agreement, dated on or about the date hereof, and entered into between SPWR and SpinCo in connection with the transactions contemplated by the Separation Agreement.

"Product Firm Commitment" has the meaning set forth in Section 4(b).

"Product Specifications" means the specifications, attributes, and standards as described on product datasheets attached to Exhibit A and as may be amended from time to time in accordance with Section 2(b).

"Product Warranty" has the meaning set forth in Section 7(a).

"Products" has the meaning set forth in Section 2(a).

"Receiving Party" has the meaning set forth in Section 9(a).

"Residential and Indirect Market Segment" means, subject to the Segment Exclusions, all applications where solar panels are procured in the Territory: (a) for installation at a residence, or (b) by a third party for the exclusive use of a specific customer (such as a specific commercial, industrial or tax-exempt customer).

"Sales Employee" means any employee of either Party, or an Affiliate of either Party, who: (a) has had direct contact with any of that Party's residential or commercial third party dealers in the course of his or her employment, or who otherwise has access to confidential dealer lists and information, or (b) has had direct contact in the course of his or her employment with any of that Party's customers in a sales role, or who otherwise has access to confidential dealer or customer lists.

"Segment Exclusions" means: (a) the Residential and Indirect Market Segment and the Direct Market Segment are mutually exclusive, whereby solar panels procured in the Territory are either excluded from both market segments or are procured in only one of the market segments; and (b) both the Residential and Indirect Market Segment and the Direct Market Segment exclude: (i) off-grid solar panel applications that do not use residential-scale solar panels or are not installed at a residence, such as microgrid and remote applications, (ii) portable or mobile solar panel applications of less than 170 W, including applications where solar cells are integrated into consumer products, and (iii) power plant, front-of-the-meter applications where generated electricity will be sold to a utility or another off-taker that intends to resell the electricity (other than community solar applications).

"Separation Agreement" has the meaning set forth in the Background.

"SpinCo" has the meaning set forth in the Preamble.

"SPWR" has the meaning set forth in the Preamble.

"Supplier" has the meaning set forth in the Preamble.

"Term" has the meaning set forth in Section 8(a).

"Territory" means Canada and the United States, but excluding the following non-state territories and possessions of the United States: Puerto Rico, American Samoa, Guam, Northern Mariana Islands and U.S. Virgin Islands.

2. Purchase and Supply of Products.

(a) Products. During the Term, and subject to the other terms and conditions in this Agreement, this Agreement governs the supply and purchase of the products listed on Exhibit A (collectively, the "Products"). Subject to the terms and conditions contained in the Product Collaboration Agreement, the Parties may agree in writing to amend or supplement the list of products in Exhibit A, or to add or remove products. In addition, should additional or new products become available from Supplier during the Term, the Parties will negotiate, in good faith, the terms and conditions to govern the supply, sale, delivery, and post-sale obligations related to any such new or additional products before such products become part of this Agreement. If products are added to or removed from Exhibit A, or any of the Product Specifications are changed in accordance with Section 2(b), then the Parties will promptly amend Exhibit A to reflect those changes.

(b) Product Specifications; Changes. The Product Specifications for each Product are attached to Exhibit A. Subject to the terms and conditions contained in the Product Collaboration Agreement, Supplier must notify Customer of changes to any existing Product that materially impact the performance or reliability of that Product, the compatibility of that Product with other products customarily used in conjunction with that Product, or whether or not that Product meets the requirements of any certification or other standard specified in the applicable Product Specifications, as well as changes to any key component (a component that, if changed, would impact the form, fit or function of any Product) used to manufacture any Product, at least six months before such changes take effect. In addition, all engineering, process and test changes must comply with the requirements of Exhibit D (Item A.6). Notwithstanding the foregoing, Supplier may not modify the Product Specifications without Customer's prior written approval.

(c) Quality Control. Supplier will use the same quality control measures that were used in connection with the manufacture of the Products immediately prior to the Effective Date or such other quality control standards as Supplier may elect to apply consistent with the quality control standards Supplier uses for Products it manufactures for its own account, so long as such quality control standards are in compliance with Exhibit D, applicable Law and any certification or other standard specified in the applicable Product Specifications.

(d) Module-Level Power Electronics. During the Term, Customer may order and purchase, and Supplier will supply, Products that include module-level power electronics to the extent set forth in the Product Specifications (the "MLPEs"). Supplier will provide a weekly six-month rolling forecast to Customer with respect to the anticipated consumption of MLPEs and, based on such forecasts, (i) Customer will place purchase

orders to the manufacturer of all microinverters, and (ii) unless otherwise agreed by the Parties in writing, Supplier will place purchase orders to the manufacturer of all other MLPEs, including module-level shut-down devices. Each MLPE will be purchased by the Party responsible for its procurement pursuant to one or more agreements between that Party and the manufacturer of the MLPE. Following delivery of the MLPEs to Supplier, Supplier will be responsible for attaching the MLPEs to the Products before delivery to Customer. The charges and costs to Customer in connection with Supplier's MLPE procurement (other than with respect to microinverters) and attachment, as well as a further description of the procurement process for MLPEs, are set forth in Exhibit E. Supplier warrants that it will attach the MLPEs to the Products in accordance with the manufacturer's instructions using only the highest quality workmanship; however, Supplier does not provide any warranties, explicit or implicit, related to the MLPEs themselves, and expressly disclaims all such warranties, including any warranty regarding the materials used to manufacture the MLPEs, the design or workmanship of the MLPEs, whether or not the MLPEs conform to any specifications, or fitness of the MLPEs for a particular purpose. Instead, Customer will have rights against the manufacturer of any MLPE pursuant to the warranty provided by that manufacturer.

3. Restrictive Covenants.

(a) Exclusive Supply. Except as set forth in Section 3(c), and subject to the terms and conditions contained in the Product Collaboration Agreement, in exchange for the commitments made by Customer in this Agreement, including, without limitation, Customer's commitments related to exclusivity and the purchase of certain minimum volumes of Products, during the relevant Exclusivity Period, Supplier agrees (i) to sell and provide Products exclusively to Customer, and not to, directly or indirectly, sell or provide photovoltaic modules or photovoltaic cells to any third party for use within the Residential and Indirect Market Segment within the Territory (including for the purpose of enabling another manufacturer to produce a competing product), (ii) to sell and provide Products exclusively to Customer, and not to, directly or indirectly, sell or provide photovoltaic modules or photovoltaic cells to any third party for use within the Direct Market Segment within the Territory (including for the purpose of enabling another manufacturer to produce a competing product), and (iii) not to, directly or indirectly, sell Products or any other photovoltaic modules or photovoltaic cells to any party that Supplier knows (or reasonably should have known) intends to market or sell such Products, modules, or cells within the Territory, or incorporate such Products, modules, or cells into products that subsequently are marketed or sold within the Territory.

(b) Exclusive Purchases. Except as set forth in Section 3(c), and subject to the terms and conditions contained in the Product Collaboration Agreement, in exchange for the commitments made by Supplier in this Agreement, including, without limitation, Supplier's commitments related to exclusivity and the supply and delivery of certain minimum volumes of Products, during the relevant Exclusivity Period, Customer agrees to purchase Products exclusively from Supplier, and not to, directly or indirectly, purchase photovoltaic modules from any third party for use within the Residential and Indirect Market Segment within the Territory and within the Direct Market Segment within the Territory. During the Term, Customer agrees not to, directly or indirectly, sell or resell any Product to a customer outside of the Territory or under any non-SPWR brand name and agrees that it must obtain a contractual commitment from its residential and commercial dealers that such Product will not be sold outside of the Territory or under any non-SPWR brand name.

(c) Exceptions to Exclusivity; Preparations. Notwithstanding anything to the contrary in Section 3(a) or 3(b), the following activities are permitted and will not constitute a breach of this Agreement:

(i) Customer may, directly or indirectly, purchase products (including Products) for use in the Territory that fall within the Segment Exclusions. Supplier may, directly or indirectly, sell products (including Products) within the Territory that fall within the Segment Exclusions; provided, however, that, in each case, it must obtain a contractual commitment from the purchaser that such products (including Products) will not be used in the Residential and Indirect Market Segment or the Direct Market Segment.

(ii) Subject to the provisions set forth in Sections 8(b)(ii) and 11(c) regarding a Force Majeure Event, upon the occurrence and continuation of a Force Majeure Event for a period of not less than 30 days, (A) Customer may, directly or indirectly, purchase products (including Products) and modules from any third party solely to the extent Supplier is unable to supply such Products or comparable modules due to such Force Majeure Event and (B) Supplier may, directly or indirectly, sell Products to any third party solely to the extent Customer is unable to purchase such Products or comparable modules due to such Force Majeure Event, and in each case solely for the duration of the Force Majeure Event.

(iii) Customer may take any and all steps it deems appropriate to prepare to purchase Products and other photovoltaic modules or photovoltaic cells from one or more third parties, including qualifying any such third parties or their facilities, conducting "pilot" programs, and purchasing and taking delivery of Products and other photovoltaic modules or photovoltaic cells, provided that Customer does not, directly or indirectly, actually sell, deliver, or install any such Products, modules, or cells for use in the Residential and Indirect Market Segment or the Direct Market Segment in the Territory before the end of the relevant Exclusivity Period.

(iv) Except to the extent limited in Section 3(e), Supplier may take any and all steps it deems appropriate to prepare to supply Products and other photovoltaic modules or photovoltaic cells to one or more third parties, including marketing activities and prospective customer communications, conducting "pilot" programs, and entering into contractual arrangements to sell after the Term, provided that Supplier does not, directly or indirectly actually sell or deliver any such Products, modules, or cells for use in the Residential and Indirect Market Segment or the Direct Market Segment in the Territory before the end of the relevant Exclusivity Period.

(d) Non-Solicitation. As an inducement for the Parties to enter into this Agreement, and as additional consideration for the representations, warranties, covenants, and agreements herein, the Parties agree that, during the Term and for a period of two years after the expiration or termination thereof, neither Party will, and each will cause its Affiliates not to, directly or indirectly, solicit to hire or hire any Sales Employee or otherwise induce any such Sales Employee to terminate his or her employment with the other Party or its Affiliates; provided, however, that nothing herein will restrict or preclude either Party or its Affiliates from making generalized solicitations for employees by use of advertisements in the media (including trade media), via the Internet, or by engaging search firms to engage in solicitations, in each case, that are not targeted or focused on employees of the other Party or its Affiliates.

(e) Non-Circumvention. During the Term and for a period of one year following the expiration of the Exclusivity Period for the Residential and Indirect Market Segment, Supplier will not, and will cause its Affiliates not to, directly or indirectly, attempt to circumvent Customer by contacting or entering into any discussions or contractual arrangements to sell Products to residential and commercial dealers that are in existing supply arrangements with Customer as of the expiration of such Exclusivity Period. Customer will provide its list of third-party dealers that are in existing supply arrangements to Supplier upon the Effective Date and again upon the expiration of such Exclusivity Period.

4. Minimum Volume Commitments.

(a) Agreed Minimum Quarterly Commitments.

(i) Subject to the terms and conditions of this Agreement, Customer agrees to purchase from Supplier, and Supplier agrees to supply and deliver to Customer, the minimum volumes of Products set forth on Exhibit B for that portion of the 2020 calendar year occurring after the Effective Date, which the Parties may modify from time to time in writing to the extent contemplated through Development Plans implemented under the Product Collaboration Agreement or otherwise (the "Agreed Minimum Quarterly Commitments"). Additionally, the Agreed Minimum Quarterly Commitments for the 2021 calendar year shall be provided by Customer on or prior to August 31, 2020 and deemed acceptable by Supplier so long as they are no less than 80% and no greater than 120% of the Agreed Minimum Quarterly Commitments for each cell technology level (*i.e.*, "L3") for 2020 as set forth in Exhibit B. Similarly, the Agreed Minimum Quarterly Commitments for the portions of the 2022 calendar year included in the Term shall be provided by Customer on or prior to August 31, 2021 and deemed acceptable by Supplier so long as they are no less than 80% and no greater than 120% of the Agreed Minimum Quarterly Commitments for each cell technology level (*i.e.*, "L3") for 2021 as added to Exhibit B pursuant to this Section 4(a)(i). This determination will be made on a cell technology basis (*i.e.*, Maxeon 2, regardless of whether it is destined for the Residential and Indirect Market Segment or the Direct Market Segment). The final Agreed Minimum Quarterly Commitments for 2021 and 2022 will be finalized, along with the pricing for Products for 2021 and 2022, as contemplated in Section 5(d), and added to Exhibit B by no later than September 30 of the prior calendar year.

(ii) In accordance with Exhibit B, by the first Wednesday of each calendar month during the Term, the Parties will have established, by mutual written agreement, (A) the "L6" firm order for each applicable Product for each of the following three months (noting that on a rolling basis, months one and two will have already been established and are not subject to change, each monthly order a "Firm Order"), and (B) the "L4" monthly blanket purchase order for each of the three months following the months described in clause (A) (*i.e.*, months four through six, noting that on a rolling basis, months four and five will have already been established) (each, a "Blanket PO"). Additionally, on a monthly basis, Customer will provide forecasts of its anticipated purchases of Products for each quarter of the Term beyond those already provided in the Firm Orders and Blanket POs to the extent commercially reasonable. Each forecast will be non-binding and used solely for general planning purposes. Examples of the initial Firm Order, Blanket PO, and monthly cadence are attached as part of Exhibit B.

(iii) Notwithstanding the foregoing, (A) Firm Orders may not represent more than 38% of the total volume (measured at "L3" in accordance with Exhibit B) to be delivered in the coming three-month period pursuant to Firm Orders (which includes the month in question plus the two prior months for which there are already Firm Orders), and (B) Customer acknowledges that Supplier may no longer be producing E-Series Products for all or part of 2021 and 2022 deliveries and (I) Supplier will not be required to include more than 150 MW of such Product within the final Agreed Quarterly Minimum Commitments for 2021 and (II) with respect to 2022, Supplier will not be required to include such Product within the final Agreed Quarterly Minimum Commitments and the Parties shall use commercially reasonable efforts to agree upon a replacement Product and its pricing by September 30, 2021.

(b) Measuring Against Agreed Minimum Quarterly Commitments. Within 30 calendar days after the end of each calendar quarter during the Term, the Parties will confer to determine whether or not (i) each Party met 100% of each Firm Order submitted during the preceding calendar quarter, and (ii) the Firm Orders submitted during the preceding calendar quarter represent at least: (A) 100% of the Agreed Minimum Quarterly Commitments for the first full quarter of the Term (and any months before then) and dropping by 10% for each full quarter thereafter during the remaining quarters of 2020 (provided, however, that notwithstanding anything to the contrary herein or in Exhibit B, (I) Firm Orders submitted for the third quarter of 2020 must be for no less than 18.6 MW of A-Series Products for the "Residential Market Segment" and for no less than 3.5 MW of A-Series Products for the "Indirect Commercial Market Segment," "Direct Market Segment" or any combination thereof, and (II) Firm Orders submitted for the fourth quarter of 2020 must be for no less than 42.3 MW of A-Series Products for the "Residential Market Segment" and for no less than 9.7 MW of A-Series Products for the "Indirect Commercial Market Segment," "Direct Market Segment" or any combination thereof); (B) 90% of the Agreed Minimum Quarterly Commitments for the first quarters of 2021 and 2022 (as such Agreed Minimum Quarterly Commitments are established in the third quarter of the prior calendar year); (C) 80% of the Agreed Minimum Quarterly Commitments for the second and third quarters of 2021 and, to the extent within the Term, 2022; and (D) 70% of the Agreed Minimum Quarterly Commitments for the fourth quarter of 2021 and, to the extent within the Term, 2022 (in the case of (i) and (ii) (including the

proviso therein), the "Product Firm Commitment"). Except as set forth above, this determination will be made on a cell technology basis (*i.e.*, Maxeon 2, regardless of whether it is destined for the Residential and Indirect Market Segment or the Direct Market Segment) by comparing Products actually ordered by Customer, and Products actually shipped or scheduled for shipment by Supplier, during such preceding calendar quarter against the Product Firm Commitment.

(c) Consequences of Failing to Meet Product Firm Commitments.

(i) If the Parties determine that Customer has failed to meet its Product Firm Commitment for any Product for the preceding calendar quarter of the Term (and such failure was not excused, for example, as the result of a Force Majeure Event, or because the Parties agreed to permit Customer to meet the Product Firm Commitment for one Product by purchasing a different Product or some other accommodation), then Supplier may, as its exclusive remedy, impose the following penalty, determined on a per Product basis, by: (A) calculating the difference between the amount, in number of watts, of a particular Product that Customer actually ordered during the preceding calendar quarter and the Product Firm Commitment; multiplied by (B) the applicable weighted average price per watt that corresponds to that Product for the preceding calendar quarter; multiplied by (C) 15.6% in the case of Products with an "RES" SKU (or 7.8% for any such Products in commercial production for less than one year (or portion thereof within the measurement period)) and 13.6% in the case of Products with a "COM" SKU (or 6.8% for any such Products in commercial production for less than one year (or portion thereof within the measurement period)). The Parties agree that because Supplier must allocate manufacturing capacity and procure raw materials based on the anticipated requirements of Customer, as represented by the Agreed Minimum Quarterly Commitments (as modified by the Product Firm Commitment), and Supplier's exclusivity obligations under this Agreement preclude it from selling competing Products for use in the Territory, the penalties described in this Section 4(c)(i) reflect a reasonable estimate of the Damages to Supplier if Customer fails to meet its Product Firm Commitments. For the avoidance of doubt, no penalties may be assessed pursuant to this Section with respect to any quarter that has been completed prior to the Effective Date.

(ii) If the Parties determine that Supplier has failed to meet its Product Firm Commitment for any Product for the preceding calendar quarter of the Term (and such failure was not excused, for example, as the result of a Force Majeure Event, or because the Parties agreed to permit Supplier to meet the Product Firm Commitment for one Product by supplying a different Product or some other accommodation), then Customer may, as its exclusive remedy, impose the following penalty, determined on a per Product basis, by: (A) calculating the difference between the amount, in number of watts, of a particular Product that Supplier committed to supply and deliver during the preceding calendar quarter and the Product Firm Commitment; multiplied by (B) the applicable weighted average price per watt that corresponds to that Product for the preceding calendar quarter; multiplied by (C) 15.6% in the case of Products with an "RES" SKU (or 7.8% for any such Products in commercial production for less than one year (or portion thereof within the measurement period)) and 13.6% in the case of Products with a "COM" SKU (or 6.8% for any such Products in commercial production for less than one

year (or portion thereof within the measurement period)). The Parties agree that because Customer commits to its own customers based on the anticipated manufacturing production of Supplier, as represented by the Agreed Minimum Quarterly Commitments (as modified by the Product Firm Commitment), and Customer's exclusivity obligations under this Agreement preclude it from procuring competing Products for use in the Territory, the penalties described in this Section 4(c)(ii) reflect a reasonable estimate of the Damages to Customer if Supplier fails to meet its Product Firm Commitments. For the avoidance of doubt, no penalties may be assessed pursuant to this Section with respect to any quarter that has been completed prior to the Effective Date.

(iii) In addition to the penalties described in Sections 4(c)(i) and 4(c)(ii): (A) if Customer fails to meet its Product Firm Commitments two times during any four consecutive calendar quarters during the Term (and such failure was not excused, for example, as the result of a Force Majeure Event, or because the Parties agreed to permit Customer to meet the Product Firm Commitment for one Product by purchasing a different Product or some other accommodation), then Section 3(a) will no longer apply to Supplier; and (B) if Supplier fails to meet its Product Firm Commitments two times during any four consecutive calendar quarters during the Term (and such failure was not excused, for example, as the result of a Force Majeure Event, or because the Parties agreed to permit Supplier to meet the Product Firm Commitment for one Product by supplying a different Product or some other accommodation), then Section 3(b) will no longer apply to Customer.

(iv) Promptly after the Effective Date, each Party will designate a project team of its primary contact individuals for purposes of monitoring any accrued or anticipated penalties applicable to either Party pursuant to Section 4(c)(i) or 4(c)(ii), each of which must include representatives reasonably acceptable to the other Party and who are familiar with the Party's operations under this Agreement. Throughout the Term, each Party will be entitled to change the members of its project team, and will notify the other Party of any such changes. The project teams will conduct regular telephone, video conference or in-person meetings as deemed necessary or appropriate (and, in any case, at least once per quarter) to exchange information regarding any accrued or anticipated penalties, potential strategies to mitigate such penalties, alternative means of compensation and any related disputes. Through the project teams, the Parties agree to work in good faith to mitigate the impact of any failure by either Party to meet its Product Firm Commitments, or to negotiate alternative means of compensating the other Party for such failures that best serve the interests of both Parties, in each case, before either Party submits an invoice to the other Party for any penalties imposed; provided, however, that neither Party will be under any obligation to agree to any alternative compensation and, if either Party waives or modifies any penalty or accepts any alternative compensation, such Party will not be deemed to have waived any rights to impose penalties in the future or to enforce any provision of this Agreement.

(v) If the Parties determine that penalties are payable pursuant to Section 4(c)(i) or 4(c)(ii), then the Party to which the penalties are payable will issue an invoice therefor to the other Party, which invoice will be due and payable in full within 45 calendar days after the date of issuance in accordance with Section 5(c).

(d) Mandatory Bin Orders.

(i) For all Products, Customer is obligated to place Firm Orders that cover all power bins shown in the monthly power yield roadmap provided by Supplier (in substantially the form of the example in Exhibit C) where the percentage of the mix of the planning family ("L5") is greater than 2% of that planning family as shown in the roadmap for such month, and the percentage of each power bin contained in each monthly Firm Order should match the percentages shown in the roadmap for that month.

(ii) Notwithstanding the foregoing, Customer agrees to purchase all Non-Fungible Products produced by Supplier during the first two quarters of the Term, including by placing a Firm Order for Non-Fungible Product SKUs from power bins that represent less than 2% of that planning family at volumes indicated by Supplier; provided, however, if such volume exceeds 150% of the forecast in the roadmap for that calendar month, the Parties agree that Customer shall be allowed an additional 45 days from the standard delivery schedule to take delivery of such excess production and to negotiate in good faith with respect to the price for the volume exceeding 150%. Similarly, if Supplier produces Non-Fungible Products with power yields that are not represented in the applicable monthly yield roadmap (*e.g.*, Non-Fungible Products with flash test results that indicate a power output below the lowest power bin identified in the applicable roadmap or a power output more than 5% higher than the highest power bin identified in the applicable roadmap (each, a "Fallout Product"), then the Parties agree to negotiate in good faith with respect to the price (or price calculation methodology) applicable to such Fallout Product and Customer shall be allowed an additional 45 days from the standard delivery schedule to take delivery of such Fallout Product. Supplier will ship all Non-Fungible Products and Fallout Product to the location designated by Supplier (complete pallets or shipping containers are not required).

(iii) In addition, Customer may request that Supplier produce a higher volume of Products at lower power levels, as long as Supplier can technically accommodate the request and Customer pays the prices associated with the higher power levels that could have been produced (*e.g.*, if Customer requests more X-335s and less X-350s than shown as possible in the current roadmap, then Supplier would make more X-335s (if possible) and Customer would pay Supplier as if they were X-350s).

5. Ordering Process; Payment Terms; Price.

(a) Ordering Process. Unless the Parties otherwise agree in writing, and subject to Exhibit B, each calendar month during the Term, Customer will submit to Supplier a Firm Order for the subsequent calendar month by the first Wednesday of the then-current calendar month. Within nine calendar days after receiving a Firm Order, Supplier will confirm receipt, provide a preliminary response and specify the date on which the Products identified in the Firm Order will be delivered (the "Delivery Date"). Supplier shall provide a written response to each Firm Order by the third Friday of the then-current calendar month, which written response must include the Supplier's commitment to supply the volumes in the Firm Order and a description of any inability to comply with the terms of this Supply Agreement. An example of the order process and response cadence

is attached as part of Exhibit B. Supplier may not reject a Firm Order that is in compliance with the terms and conditions of this Agreement for any reason other than a Force Majeure Event. Notwithstanding the foregoing, Customer may cancel or change any order (including any Firm Order or Blanket PO) in full or in part as long as Customer agrees to reimburse Supplier for the actual costs of all raw materials and work-in-process that Supplier has incurred with respect to such order and that Supplier, using its commercially reasonable efforts, is unable to utilize for other purposes (including forecasted orders by Customer) without suffering Damages (which reimbursement will be in addition to, and not in lieu of, any penalties that might be payable in accordance with Section 4(c)(i)).

(b) Payment Terms. Once all of the Products specified in a Firm Order have actually been delivered to Customer, Supplier will submit an invoice to Customer. Unless the Parties otherwise agree in writing, payment of all undisputed amounts owed pursuant to any invoice will be due either (i) in full within 45 calendar days after the related Products have been delivered to Customer, or (ii) less a 1.15% discount within 15 calendar days after the related Products have been delivered to Customer. Supplier may elect the payment term in the foregoing clause (i) or (ii) that will apply for a particular calendar quarter during the Term by notifying Customer in writing of such election at least 30 calendar days before the beginning of such calendar quarter; provided, however, that Supplier's election with respect to the initial calendar quarter may be made on the Effective Date. If Supplier fails to make a timely election, then Customer may make the election upon payment of each invoice.

(c) Payments Generally. Unless the Parties otherwise agree in writing, all payments will be made, without setoff, by wire transfer of immediately available funds to the account designated by the payee. All payments will be made in U.S. dollars. Payments that are past due by more than seven days will bear interest from the date due at the rate of 1.5% per month, subject to the maximum rate permitted by applicable Law.

(d) Price. The pricing for the Products is set forth in Exhibit C and, except as set forth in Exhibit C or as mutually agreed by the Parties, such pricing is fixed and not subject to adjustment. In coordination with the updates to Exhibit B made in accordance with Section 4(a)(i) for the 2021 and 2022 Agreed Minimum Quarterly Commitments, the pricing for the Products for the 2021 and 2022 calendar years will be agreed to between the Parties in accordance with the provisions set forth in Exhibit C and added to Exhibit C by no later than September 30 of the prior calendar year. Additionally, the prices for the Products will be subject to the discounts contemplated in the Collaboration Budget (as defined Product Collaboration Agreement) for Firm Orders placed during any period when the Product Collaboration Agreement is in effect, and such discounts will be applied to the invoices submitted pursuant to clause (b) above.

6. Delivery.

(a) Shipping Terms.

(i) Supplier will deliver the Products DAP (Incoterms® 2020) to Customer's warehouse in Rialto, California, USA (or such other location as the Parties may otherwise agree in writing); provided, however, that Customer will be designated as the importer of record for U.S. customs purposes and, subject to Sections 6(a)(ii) and 6(a)(iii), Customer will be responsible for all import taxes, customs duties and related tariffs assessed with respect to the Products by any U.S. taxing authority. Title to, and risk of loss for, the Products will pass to Customer as soon as Supplier delivers them to Customer.

(ii) Notwithstanding the foregoing, Customer may invoice Supplier for Customer's actual out-of-pocket costs incurred with respect to import taxes and customs duties assessed with respect to the Products (together with reasonable supporting documentation) and, within 45 days after receiving such invoice, Supplier will issue Customer a credit memo equal to the invoiced amount. Customer may apply any such credit memo to amounts payable by Customer (or any of its Affiliates) to Supplier (or any of its Affiliates) under this Agreement or otherwise.

(iii) Notwithstanding the foregoing, Customer will only be responsible with respect to tariffs (and the rates thereof) that (A) are in effect on the Effective Date and (B) are not characterized as so-called anti-dumping duties or countervailing duties, and if any Law is adopted or takes effect, any interpretation of any Law is announced or modified, or any rules, regulations or guidelines (whether or not having the force of Law) are adopted or take effect, which, in the case of any of the foregoing (or combination thereof), would impose, modify or deem applicable any additional tariff or similar fee (or the rate thereof) with respect to the Products (other than any so-called anti-dumping duties or countervailing duties), and the result is to increase the costs associated therewith, then any such increased costs will be the responsibility of Supplier. Customer may invoice Supplier for any such increased costs (together with reasonable supporting documentation) and, within 45 days after receiving such invoice, Supplier will issue Customer a credit memo equal to the invoiced amount. Customer may apply any such credit memo to amounts payable by Customer (or any of its Affiliates) to Supplier (or any of its Affiliates) under this Agreement or otherwise.

(b) Late Deliveries. Supplier may not deliver such Products more than seven calendar days before or after the specified Delivery Dates. Except in the case of a Force Majeure Event, if Supplier fails to deliver any Products within seven calendar days after the applicable Delivery Date, then in addition to its other rights under this Agreement, Customer may impose a penalty equal to 1.5% of the aggregate price of the Products that have not yet been delivered, and may continue to charge such penalty for each seven-day period that such Products remain undelivered (pro-rated for partial periods). In addition, if (A) Supplier notifies Customer that Supplier is unable or unwilling to deliver all of the Products specified in a Firm Order by a date that is ten weeks after the Delivery Date specified in a Firm Order or (B) Customer can reasonably demonstrate

that delivery delays have caused, or are reasonably likely to cause, Customer to lose the commercial opportunity for which the Products were intended (for example, by the operation of binding provisions in the contract with the intended Customer counterparty), then Supplier must pay to Customer a penalty equal to 15% of the total purchase price of the undelivered Products in Firm Orders. The Parties agree that because the exclusivity obligations under this Agreement preclude Customer from procuring competing Products for use in the Territory, the penalties described in this Section 6(b) reflect a reasonable estimate of the Damages to Customer if Supplier fails to meet its delivery schedule.

7. Product Warranties.

(a) Product Warranty. Except as provided in Section 2(d) with respect to any MLPEs, Supplier's warranty obligations with respect to each Product are described in the Limited Product and Power Warranty that corresponds to each Product and is attached as Exhibit D (the "Product Warranty"). The Product Warranty shall apply to Products supplied under this Agreement, and Supplier represents and warrants to Customer that the Products (i) will be new (when first delivered), (ii) will be free from defects in materials and workmanship, (iii) will be manufactured and delivered in compliance with all applicable Laws, (iv) will not be the subject of any so-called anti-dumping duties or countervailing duties if imported into the United States, and (v) will conform in all respects to the Product Specifications. Modifications or additions to the Product Warranty or Supplier's warranty obligations will become binding only following the execution of a written amendment to this Agreement signed by both Parties. Unless the Parties otherwise agree, all claims filed in connection with any Product Warranty are subject to and governed by such Product Warranty.

(b) DISCLAIMER. EXCEPT FOR THE PRODUCT WARRANTY, TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, SUPPLIER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCTS.

8. Term and Termination.

(a) Term. The term of this Agreement will commence on the Effective Date and, unless terminated earlier as provided below, will remain in effect until its two-year anniversary (the "Term"), unless the Parties agree in writing to extend the Term or the duration of any obligations described herein. By a date no less than 270 calendar days before the end of the Term, the Parties shall begin to negotiate in good faith an extension of the Term of this Agreement, including amendments to certain terms (such as pricing and volumes) or a new agreement to govern the relationship between them following the end of the Term with the intent to conclude such negotiations no later than 90 calendar days before the end of the Term; provided, however, that neither Party will be obligated to agree to any such extension or new agreement.

(b) Termination. This Agreement may be terminated before its scheduled expiration date, as follows:

(i) Either Party may terminate this Agreement, effective upon written notice to the other Party, if such other Party breaches any of its obligations in Section 3, 9 or 11(b).

(ii) Either Party may terminate this Agreement, effective upon written notice to the other Party, if: (A) such other Party fails to observe or perform any of its obligations in this Agreement (other than those obligations addressed in Section 8(b)(i)), and such failure has continued for 30 or more days after such Party receives written notice from the other Party specifying the nature of the alleged breach; (B) any representation or warranty made by such other Party in this Agreement is shown to be inaccurate in any material respect; (C) such other Party voluntarily commences any proceeding or files a petition seeking liquidation, reorganization or other relief under any bankruptcy, receivership or similar Law; (D) an involuntary proceeding is commenced or petition is filed against such other Party seeking liquidation, reorganization or other relief in respect of such Party under any bankruptcy, receivership or similar Law, and such proceeding or petition is not dismissed within 60 days after first initiated; or (E) such other Party has suffered a Force Majeure Event that affects its performance of any material obligation hereunder, and such event has not been alleviated to the reasonable satisfaction of the other Party within 90 days after notice thereof has been delivered in accordance with Section 11(c).

(c) Effects of Termination. Upon the expiration or termination of this Agreement, without further notice, Firm Orders placed by Customer for the purchase of Products that are scheduled to be shipped after the effective date of expiration or termination will be continue until completed.

(d) Survival. The terms of Sections 2(d) (with respect to the warranty for MLPEs), 3(d), 3(e), 4, 5, 6, 7, 9, 10, 11 and this Section 8(d) (each to the extent applicable after the Term), will survive the expiration or termination of this Agreement for any reason. Termination or expiration of this Agreement will not affect any rights or obligations that may have accrued to either Party prior to the effective date thereof.

9. Confidentiality.

(a) Confidentiality. The Party that receives any Confidential Information (the "Receiving Party") of the other Party (the "Disclosing Party") shall keep all such Confidential Information in Receiving Party's possession or reasonable control confidential and shall not disclose any such Confidential Information to any third party without the prior written consent of the Disclosing Party, other than the Receiving Party's representatives who have a business need-to-know such Confidential Information in connection with performing the Receiving Party's obligations under this Agreement. The Receiving Party shall exercise at least the same degree of care to safeguard the confidentiality of the Disclosing Party's Confidential Information as it does to safeguard its own proprietary or confidential information, but not less than a reasonable degree of

care. The Receiving Party shall ensure, by instruction, contract, or otherwise with its representatives that such representatives comply with the provisions of this Section 9(a). The Receiving Party shall promptly notify the Disclosing Party in the event that the Receiving Party learns of any unauthorized use or disclosure of such Confidential Information by it or its representatives, and shall promptly take all actions necessary to correct and prevent such use or disclosure.

(b) Exclusions. The confidentiality obligations in Section 9(a) shall not apply to any Confidential Information which: (i) is or becomes generally available to and known by the public (other than as a result of a non-permitted disclosure or other wrongful act directly or indirectly by the Receiving Party); (ii) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the Receiving Party has no knowledge that such source was at the time of disclosure to the Receiving Party bound by a confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party which was breached by the disclosure; (iii) has been or is hereafter independently acquired or developed by the Receiving Party without reference to such confidential Information and without otherwise violating any confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party; or (iv) was in the possession of the Receiving Party at the time of disclosure by the Disclosing Party without restriction as to confidentiality.

(c) Authorized Disclosure. Notwithstanding the foregoing, neither Receiving Party (nor their representatives, as applicable) will be precluded from disclosing Confidential Information of the Disclosing Party to the extent the Receiving Party is required to do so in response to a valid order by a Governmental Authority, or to the extent it reasonably believes, on the basis of advice from outside counsel, that it is required to disclose such Confidential Information by Law, or to the extent necessary to establish its rights under this Agreement; provided, however, that, in the event a Receiving Party believes it is so required to disclose another the Disclosing Party's Confidential Information, it will promptly provide written notice of such requirement so that the Disclosing Party may seek an appropriate order or other action as it deems appropriate to prevent or limit such disclosure, and the Receiving Party required to make the disclosure will use its reasonable efforts to preserve the confidentiality of the Disclosing Party's Confidential Information, including by cooperating with the Disclosing Party to obtain an appropriate order or other reliable assurance of confidential treatment. In any event, the Receiving Party required to make the disclosure may disclose only that portion of the Disclosing Party's Confidential Information that is legally required to be disclosed. Notwithstanding the foregoing, if any Party (or an Affiliate of such Party) is required to include a copy of this Agreement as an exhibit to any current or periodic report filed with the U.S. Securities and Exchange Commission, such Party (or its Affiliate) may make such filing without the prior written consent of any other Party as long as it seeks (or causes its Affiliate to seek) confidential treatment of any portions of this Agreement that, in the opinion of such filing Party, contain confidential or competitively sensitive information, regardless of whether such treatment is obtained.

10. Disputes and Indemnification.

(a) Dispute Resolution.

(i) The Parties will seek to settle any dispute, controversy or claim ("Dispute") relating to this Agreement through good faith negotiations. If the Parties fail to resolve any such Dispute through good faith negotiations within 30 calendar days after one Party notifies the other Party thereof, such Dispute will be settled through arbitration in accordance with the International Arbitration Rules of the American Arbitration Association (AAA). The arbitration award shall be final and binding on the Parties. The place of arbitration shall be San Francisco, California, USA or such other location as the Parties may mutually agree upon. The arbitration proceedings shall be conducted in English by a panel of three arbitrators who are fluent in the English language. Each Party will have the authority to nominate one arbitrator in accordance with the AAA rules. Following confirmation of the two Party-nominated arbitrators, the arbitrators shall select a third neutral arbitrator to serve as the presiding arbitrator.

(ii) Notwithstanding the foregoing, if either Party believes the other Party has breached its obligations in Section 3 or 9, then, in addition to any and all other rights and remedies available to such Party, it will be entitled to obtain from the arbitrators and from any court of competent jurisdiction interim or provisional injunctive or other equitable relief. A Party's application to a court for interim or provisional injunctive or other equitable relief will not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.

(b) Mutual Indemnification.

(i) Supplier shall indemnify, defend and hold harmless Customer, its Affiliates and its and their respective directors, officers, employees, agents and other representatives from and against any and all damages, liabilities, claims, costs, charges, judgments and expenses (including reasonable attorney's fees) (collectively "Damages") that may be sustained, suffered or incurred by Customer (or its Affiliates), arising from or by reason of (A) the breach by Supplier of any representation, warranty, covenant or agreement made by Supplier in this Agreement, (B) any Product that does not conform to the Product Warranty, including Damages for actual or alleged injury to property or person (including death), or the workmanship warranty provided for attachment of the MLPEs to the extent set forth in Section 2(d), (C) Supplier's gross negligence or willful misconduct, or (D) Supplier's violation of applicable Law or the requirements of any Governmental Authority.

(ii) Customer shall indemnify, defend and hold harmless Supplier, its Affiliates and its and their respective directors, officers, employees, agents and other representatives from and against any and all Damages, that may be sustained, suffered or incurred by Supplier arising from or by reason of (A) the breach by Customer of any representation, warranty, covenant or agreement made by Customer in this Agreement, (B) the MLPEs (except to the extent covered by Supplier's indemnification as set forth in Section 10(b)(i)), (C) Customer's gross negligence or willful misconduct, or (D) Customer's violation of applicable Law or the requirements of any Governmental Authority.

(iii) EXCEPT WITH RESPECT TO ANY BREACH OF THE PRODUCT WARRANTY, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY TO THIS AGREEMENT WILL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES ARISING FROM, OR ATTRIBUTABLE TO, THIS AGREEMENT OR THAT PARTY'S PERFORMANCE HEREUNDER, WHETHER ARISING IN CONTRACT, TORT, BY OPERATION OF LAW, OR OTHERWISE, EVEN IF THAT PARTY HAS BEEN PLACED ON NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

(c) Insurance. Supplier will maintain insurance throughout the Term with financially sound and reputable carriers in such amounts and against such risks (including general liability) and such other hazards as is customarily maintained by companies engaged in the same or similar businesses. Supplier will cause Customer and its Affiliates to be named as additional insureds, as their interests appear, on all of Supplier's general liability policies. Upon request, Supplier will furnish Customer with a certificate of insurance evidencing such insurance coverage, and such other information in reasonable detail as to the insurance so maintained. All insurance required of Supplier will be primary and non-contributory over any insurance or self-insurance program maintained by Customer. Supplier waives, and any required insurance policy must contain a waiver of, subrogation rights against Customer and its Affiliates. Supplier will not be deemed to be relieved of any liability or responsibility hereunder because of the fact that it maintains (or does not maintain) insurance.

11. Miscellaneous.

(a) Governing Law. This Agreement, and any Disputes arising out of or in connection with this Agreement, shall be governed by and construed in accordance with the Laws of the State of California, excluding its rules governing conflicts of Laws. The U.N. Convention on Contracts for the International Sale of Goods will not apply to this Agreement.

(b) Compliance with Laws and Compliance Audits.

(i) Each Party agrees at all times to strictly comply with all applicable Laws, now or hereafter in effect, relating to its performance under this Agreement. Each Party further agrees to make, obtain, and maintain in force at all times during the Term, all filings, registrations, reports, licenses, permits, and authorizations required under applicable Law.

(ii) Each Party hereby acknowledges and agrees that the Products, as well as the Confidential Information, are subject to export controls under the Laws of the United States, including the Export Administration Regulations, 15 C.F.R. Parts 730-774. In the exercise of its rights, and the performance of its obligations under this Agreement, each Party agrees to strictly comply with all such export control Laws,

and will not export, re-export, transfer, divert, or disclose any Products or Confidential Information, or any direct product thereof, to any destination, end-use, or end-user restricted or prohibited under export controls Laws. In addition to the foregoing, each Party acknowledges that it is bound by and will comply with SPWR's export compliance policies and procedures as communicated to Supplier from time to time and has may be supplemented, amended, or updated from time to time.

(iii) Each Party agrees to strictly comply with all applicable foreign or domestic anti-corruption and anti-bribery Laws, as in effect from time to time, including, but not limited to, the United States Foreign Corrupt Practices Act 1977, the UK Bribery Act 2010, and any Laws intended to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (collectively, "Anti-Corruption Laws"). Without limiting the generality of the foregoing, each Party agrees not to make, authorize, offer, or promise to make or give any money or any other thing of value, directly or indirectly, to any current or former government official or employee (including employees of a state-owned or controlled enterprise of public international organization), candidate for political office, or an official of a political party, or any employee, director or consultant of a non-government client or potential client, for the purpose of securing any improper or unfair advantage or obtaining or retaining business in connection with the activities contemplated hereunder. Each Party agrees to immediately notify the other of any request that it receives to take any action that might constitute, or be construed as, a violation of the Anti-Corruption Laws.

(iv) Each Party further agrees to keep and maintain accurate books and records, in sufficient detail, to demonstrate compliance with this Agreement, including all Anti-Corruption Laws. Each Party will keep such records for a period of time as determined by its normal document retention policies, but in any event not less than three years after the date of the transaction to which those records relate, or longer if required by Law. Upon at least 30 days' notice and no more frequently than once per year, each Party will (A) furnish the other Party with copies of reasonably requested books and records and (B) permit the other Party (and its representatives) to examine and audit all of such Party's books and records relating to its activities under this Agreement, in each case, only to the extent necessary for the other Party to verify such Party's compliance with this Agreement and subject to restrictions implemented in good faith to (I) ensure compliance with applicable Law, (II) preserve any applicable privilege (including the attorney-client privilege), or (III) comply with any applicable contractual confidentiality obligations; provided, however, that if a Party is in breach of any of its representations, warranties, agreements, or covenants in this Agreement (or the first Party has a reasonable basis to assert any such breach), then any such examination and audit will be permitted upon at least 24 hours' notice and, if a breach is confirmed, the costs and expenses of the examination and audit will be the responsibility of the breaching Party.

(c) Force Majeure. Notwithstanding anything to the contrary in this Agreement, neither Party will be liable for any Damage or delay suffered by the other Party due to any inability to perform any obligation hereunder, and neither Party will be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term or provision of this Agreement, when such failure or delay is

caused by or results from causes beyond the reasonable control of the affected Party, including, without limitation, as a result of Acts of God, fire, flood, storm, earthquake, explosion, epidemic, delays in transportation, shortages of trucks or vessels, shortages of fuel, shortages of raw materials, environmental catastrophe, embargo, war, acts of war (whether war be declared or not), acts of terrorism, insurrection, riot, civil commotion, or acts, omissions or delays in acting by any governmental authority (including legislative, administrative, judicial, police or any other official governmental acts) (each, a "Force Majeure Event"). For the avoidance of doubt, delays in Supplier's receipt of MLPEs, to the extent such delays impact the ability of Supplier to timely perform MLPE attachment services, timely supply the required volumes of any Product, or timely deliver any Product, will be deemed to constitute a Force Majeure Event that affects the Supplier. In the case of any delay or failure that a Party anticipates will cause an excusable delay hereunder, such Party will inform the other Party in writing of the anticipated effect of such delay within five days of becoming aware of it, which notice must include a reasonably detailed description of the steps that the notifying Party is taking to alleviate the problem.

(d) General Provisions.

(i) Neither Party has the right or power to assign any of its rights, or delegate the performance of any of its duties, under this Agreement without the prior written authorization of the other Party, which authorization will not be unreasonably withheld, conditioned or delayed.

(ii) The failure of either Party to assert any of its rights under this Agreement shall not be deemed to constitute a waiver of that Party's right thereafter to enforce each and every provision of this Agreement in accordance with its terms.

(iii) The subject headings of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

(iv) In the event that any provision hereof is found invalid or unenforceable pursuant to a final judicial decree or decision (or arbitration award), the remainder of this Agreement will remain valid and enforceable according to its terms. In the event of such partial invalidity, the Parties shall seek in good faith to agree on replacing any such legally invalid provision with a provision that, in effect, will most nearly and fairly approach the effect of the invalid provision.

(v) This Agreement is written in English. The Parties may translate this Agreement into any other language and execute counterparts thereof as so translated but, in any and all events, the English language version of this Agreement, as executed by the Parties, will be the controlling version of this Agreement and will prevail for all purposes.

(vi) This Agreement may be executed in any number of counterparts and by the Parties in separate counterparts, each of which when so executed and delivered will be deemed to be an original and all of which counterparts, taken together, will constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by fax or other electronic means will have the same force and effect as a manual signature delivered in person.

(vii) Except for Firm Orders, Blanket POs, forecasts, invoices, and other commercial communications, which may be sent by e-mail, fax or such other means as the Parties may agree, all notices and other communications required or permitted under this Agreement must be in writing and delivered in person or dispatched by a nationally recognized overnight courier service to the applicable Party at the address specified for such Party in the Separation Agreement. Notices will be deemed duly given upon receipt by the receiving Party or upon such Party's refusal to accept delivery.

(viii) This Agreement, together with the Exhibits hereto and the documents delivered hereunder, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements between the Parties, whether written or oral, relating to the same subject matter. No modification, amendments or supplements to this Agreement shall be effective for any purpose unless in writing and signed by each Party. Approvals or consents hereunder of a Party shall also be in writing.

(ix) For purposes of this Agreement, the Parties will be and remain independent contractors (and, in certain respects, active competitors), and this Agreement will not be construed as establishing a general agency, employment, partnership, joint venture, coalition, alliance or any other similar relationship between the Parties with regards to the relationship created by this Agreement. In accordance with this Agreement, neither Party will have the authority to make any statements, representations or commitments of any kind (whether express or implied) regarding the subject matter of this Agreement, or to take any action, which would be binding on any other Party or create any liability or obligation on behalf of any other Party regarding the subject matter of this Agreement, without the prior written authorization of such other Party to do so. Neither Party will have the right to direct or control the employees of any other Party. Neither Party will be liable for the debts, obligations or other liabilities of any other Party or of any of its agents, employees or contractors, including any costs for salaries, benefits or taxes.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of the Effective Date.

SPWR or Customer

SUNPOWER CORPORATION

By: _____
Name: _____
Title: _____

SpinCo or Supplier

MAXEON SOLAR TECHNOLOGIES, LTD.

By: _____
Name: _____
Title: _____

[Signature Page – Supply Agreement]

Exhibit 4.5

FORM OF AGREEMENT

This Agreement ("Agreement"), dated as of [•], 2020, is by and between SunPower Corporation, a corporation organized and existing under the Laws of the State of Delaware, USA ("Parent"), and Maxeon Solar Technologies, Ltd., a company organized and existing under the Laws of Singapore ("SpinCo").

BACKGROUND

Parent and SpinCo are parties to that certain Separation and Distribution Agreement dated as of November 8, 2019 (the "Separation Agreement"). In connection with the transactions contemplated by the Separation Agreement, Parent and SpinCo have agreed to enter into this Agreement to memorialize their mutual understanding with respect to certain supply agreements between Parent and certain of its Affiliates, on the one hand, and Hemlock Semiconductor Operations LLC (f/k/a Hemlock Semiconductor Corporation), a limited liability company organized and existing under the laws of the State of Michigan, USA, and certain of its Affiliates (collectively, "Hemlock"), on the other hand. Initially capitalized terms used but not defined in this Agreement have the meanings given to them in the Separation Agreement.

1. Hemlock Supply Agreements. Parent is party to certain supply and related agreements with Hemlock listed on Exhibit A (collectively, the "Supply Agreements"). The Parties had intended for Parent to assign all of its right, title and interest in the Supply Agreements to SpinCo, and for SpinCo to accept such right, title and interest and to assume and pay, perform, discharge and fulfill when due all of Parent's obligations under the Supply Agreements on the terms and conditions set forth therein, all in accordance with the Separation Agreement. However, in lieu of an actual assignment and assumption of the Supply Agreements, the Parties have agreed to allocate various responsibilities under the Supply Agreements as set forth in this Agreement.

2. Treatment of Supply Agreements. To the extent any of the Supply Agreements are not capable of being assigned or transferred without the consent of Hemlock, or if any such assignment or transfer would constitute a breach thereof, this Agreement will not constitute an assignment or transfer of such Supply Agreement and, instead:

(a) on behalf of itself and the other members of the RemainCo Group, Parent agrees to transfer the rights, benefits and burdens of each Supply Agreement (including all deposits and advanced payments made thereunder) to SpinCo, to the same extent as if such rights, benefits and burdens constituted SpinCo Assets (without regard to the misallocation provisions of Section 2.1(c) of the Separation Agreement); and

(b) on behalf of itself and the other members of the SpinCo Group, SpinCo agrees to pay, perform, discharge and fulfill when due all obligations and Liabilities under each Supply Agreement on the terms and conditions set forth therein, including, without limitation, all take-or-pay obligations and the currently outstanding obligations described on Exhibit B, to the same extent as if such obligations constituted SpinCo Liabilities (without regard to the misallocation provisions of Section 2.1(c) of the Separation Agreement).

In furtherance of the foregoing, SpinCo will, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for Parent (i) pay, perform, discharge and fulfill all obligations and other Liabilities of Parent and any other member of the RemainCo Group under each Supply Agreement (including those described on Exhibit B), and (ii) use its commercially reasonable efforts to effect such payment, performance, discharge or fulfillment prior to the time when any demand therefor is permitted to be made by Hemlock thereunder. Alternatively, SpinCo may require Parent to act as its agent under any Supply Agreement, in which case, Parent will consult with, and take direction from, SpinCo regarding the exercise of its rights and remedies under such Supply Agreement at SpinCo's sole cost and expense; provided, however, that Parent will not be obligated to (A) pay, perform, discharge or fulfill any obligations or Liabilities under any Supply Agreement as SpinCo's agent or otherwise, (B) take any actions that could constitute a violation of Law or a breach of any Supply Agreement, (C) take any actions that could result in an increase of the Net Market Exposure (as defined below), (D) amend or modify, or grant or seek any consent or waiver under, any Supply Agreement, in each case, if such amendment, modification, consent or waiver will result in an increase in Liabilities of Parent or (E) agree to any settlement in connection with any Action initiated in relation to any Supply Agreement, if such settlement will result in an increase in Liabilities of Parent.

3. Indemnification. In addition to, and not in lieu of, its obligations under Section 4.2 of the Separation Agreement, to the fullest extent permitted by Law, SpinCo will, and will cause the other members of the SpinCo Group to, indemnify, defend and hold harmless Parent and the other RemainCo Indemnitees, from and against any and all Liabilities of the RemainCo Indemnitees relating to, arising out of or resulting from, directly or indirectly (i) any failure by SpinCo to pay, perform, discharge and fulfill when due all obligations and Liabilities of Parent and any other member of the RemainCo Group under the Supply Agreements in accordance with Section 2 above, and (ii) any breach by SpinCo of this Agreement or any of the Supply Agreements.

4. Springing Security.

(a) Within 30 days after the occurrence of a Trigger Event (as defined below), SpinCo will (or will cause other members of the SpinCo Group to) provide and maintain Financial Assurances (as defined below) in favor of Parent with an aggregate fair market value at least equal to the Net Market Exposure (as defined below), until such time as (i) Parent and each other member of the RemainCo Group (as relevant) has been released by Hemlock from all obligations and Liabilities under the Supply Agreements or (ii) the Net Market Exposure has been reduced to zero, in either case, to the reasonable satisfaction of Parent. SpinCo agrees to (A) notify Parent in writing of the occurrence (or imminent occurrence) of a Trigger Event promptly after any executive officer of SpinCo becomes aware of it, and (B) furnish Parent with such information regarding SpinCo's financial condition or compliance with this Agreement as Parent may reasonably request from time to time, including with respect to SpinCo's then-current Cash Balance.

(b) As used in this Agreement, the following terms have the following meanings:

"Cash Balance" means, as of any date of determination, the amount reflected as "cash" in SpinCo's most recent publicly available consolidated balance sheet.

"Financial Assurances" means any combination of cash collateral, standby letters of credit, bank guarantees, performance or surety bonds, first-priority (or if not available, subordinated only to existing senior debt), perfected Security Interests in SpinCo Assets, or other financial support, in each case, in form and substance reasonably acceptable to Parent.

"Net Market Exposure" means, as of the last day of the immediately preceding fiscal quarter of Parent, an amount equal to (***a*** x ***b***) – ***c***, where:

a = the aggregate outstanding take-or-pay contracted volume under the Supply Agreements, measured in kilograms and certified by an executive officer of SpinCo as of the last day of such fiscal quarter;

b = $**[●]** per kilogram; and

c = the aggregate prepayments made by Parent and its Affiliates under the Supply Agreements with respect to the same contracted volume, as certified by an executive officer of Parent as of the last day of such fiscal quarter;

provided that, the Net Exposure Amount may never exceed $**[●]**.

"Trigger Event" means the first to occur of: (i) SpinCo's failure to make three consecutive payments when due under the Supply Agreements (considered collectively, not on a per agreement basis); or (ii) SpinCo having available liquidity through a combination of undrawn commitments under any revolving credit facility and a Cash Balance of the lesser of (a) $150,000,000 and (b) the current Net Market Exposure less any accounts receivable then outstanding from Parent under the Supply Agreement (as defined in the Separation Agreement).

5. Right of Setoff. In addition to Parent's other rights and remedies under this Agreement or applicable Laws, if SpinCo is obligated to indemnify Parent pursuant to Section 3 above, then Parent will be entitled to exercise rights of setoff against any amounts due and payable from any member of the RemainCo Group, on the one hand, to any member of the SpinCo Group, on the other hand, whether arising in connection with any of the Ancillary Agreements or otherwise.

6. Miscellaneous.

(a) This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

(b) This Agreement, together with the Separation Agreement (to the extent contemplated herein), contain the entire agreement between Parent and SpinCo with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

(c) This Agreement is governed by and will be construed in accordance with the Laws of the State of California, USA, excluding its rules governing conflicts of Laws.

(d) Parent and SpinCo each (i) irrevocably and unconditionally submits to the jurisdiction of the state and federal courts located in the State of California, USA, for the purpose of any Dispute or Action arising out of or based upon this Agreement, (ii) agrees not to commence any Dispute or Action arising out of or based upon this Agreement except in the state or federal courts located in the State of California, USA, and (iii) waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such Dispute or Action, any claim that it is not subject to the jurisdiction of any such court, that the Dispute or Action is brought in an inconvenient forum, that the venue of the Dispute or Action is improper, or that this Agreement or the subject matter hereof may not be enforced in or by any such court.

(e) This Agreement will be binding upon and inure to the benefit of Parent and SpinCo and their respective successors and permitted assigns; provided that neither party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other party. Any assignment or delegation requiring the prior written consent of the other party pursuant to this Section 6(e) that is made without such consent will be void ab initio. No assignment or delegation of this Agreement will relieve the assigning or delegating party of its obligations hereunder.

(f) All notices, requests, claims, demands or other communications under this Agreement will be in writing and will be given or made (and will be deemed to have been duly given or made upon receipt) in accordance with Section 10.6 of the Separation Agreement.

(g) If any provision of this Agreement or the application thereof to any Person or circumstance is determined by an arbitrator or by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or the application of such provision to Persons or circumstances or in jurisdictions other than

those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, Parent and SpinCo will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the parties.

(h) No provisions of this Agreement may be waived, amended, supplemented or modified, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

(i) The provisions of Sections 10.10, 10.15 and 10.18 of the Separation Agreement are incorporated herein by reference as if fully restated herein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Parent and SpinCo have caused this Agreement to be executed by their duly authorized representatives.

SUNPOWER CORPORATION

By: _____
Name:
Title:

MAXEON SOLAR TECHNOLOGIES, LTD.

By: _____
Name:
Title:

FORM OF BRAND FRAMEWORK AGREEMENT

This BRAND FRAMEWORK AGREEMENT (the "Agreement") has been entered into as of [•], 2020 (the "Effective Date") by and between SunPower Corporation ("SPWR"), a Delaware corporation, and Maxeon Solar Pte. Ltd. ("MSSG"), a Singapore corporation and a wholly-owned subsidiary of Maxeon Solar Technologies, Ltd. ("SpinCo"), a Singapore corporation. SPWR and MSSG may also be referred to individually as a "Party" or collectively as "Parties."

RECITALS

WHEREAS, SPWR and SpinCo have entered into that certain Separation and Distribution Agreement (the "SDA"), dated [•], 2019; and

WHEREAS, in connection with the transactions contemplated by the SDA, SPWR and SpinCo have agreed to allocate ownership and use of certain Trademarks in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement and the SDA, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. DEFINITIONS

In this Agreement:

1.1 "Affiliate" means any corporation, association or other entity that directly or indirectly controls, is controlled by, or is under common control with the Party in question. As used in the preceding sentence, "control" and "controlled" mean with respect to a subject entity, direct or indirect beneficial ownership of more than 50% of the voting or equity interest in the entity. For the avoidance of doubt, for purposes of this Agreement SPWR (and its Affiliates) and MSSG (and its Affiliates) shall not be considered or deemed to be Affiliates of each other.

1.2 "Assigned SunPower Trademarks" has the meaning set forth in Section 2.1.

1.3 "Assigned Domain Names" means those domain names set forth in Exhibit A.

1.4 "Brand Council" has the meaning set forth in Section 4.3.

1.5 "Brand Quality Standards" has the meaning set forth in Section 4.4.

1.6 "Brand Territory" means the United States and the U.S. Territories.

1.7 "Confidential Information" means: (a) any information or materials that is designated by the Disclosing Party as confidential or proprietary at the time of disclosure; or (b) any other information or materials that should reasonably be understood to be confidential by the Receiving Party at the time of the disclosure.

1.8 “Residential and Indirect Market Segment” is defined in the Supply Agreement.

1.9 “Direct Market Segment” is defined in the Supply Agreement.

1.10 “Exclusivity Period” is defined in the Supply Agreement.

1.11 “Laws” means all applicable foreign, federal, state and local laws and binding rules and regulations.

1.12 “Licensee” has the meaning set forth in Section 8.2.

1.13 “Licensor” has the meaning set forth in Section 8.2.

1.14 “Maxeon Marks” means those Registered Trademarks set forth on Exhibit B and such Trademarks, other than Registered Trademarks, that are owned by SPWR on the Effective Date, that incorporate “MAXEON” or any derivations thereof.

1.15 “Product” means any hardware or component needed for a solar energy system installation, including but not limited to: silicon wafers, solar cells, solar panels, inverters and wiring, storage, mounting structure, monitoring systems – fixed or mobile, and product warranty.

1.16 “Registered Trademarks” means any Trademark that is the subject of an application, registration or renewal filed with, or submitted to, an appropriate governmental authority.

1.17 “Service” means any service utilizing one or more solar energy systems, including but not limited to: financing, design, installation, product monitoring services, maintenance contracts, system control, power offtake agreements, asset management services and power trading agreements.

1.18 “SunPower Marks” means those Registered Trademarks set forth on Exhibit C and such Trademarks, other than Registered Trademarks, that are owned by SPWR on the Effective Date, that incorporate “SUNPOWER” or any derivations thereof.

1.19 “Supply Agreement” means that certain Supply Agreement, by and between the Parties, dated [•], 2020.

1.20 “Term” has the meaning set forth in Section 9.

1.21 “Trademarks” means any and all trademarks, service marks, trade names, service names, trade dress, logos, brands and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing.

1.22 “U.S. Territories” means Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands.

2. ASSIGNMENT OF TRADEMARKS AND DOMAIN NAMES

2.1 SunPower Trademarks. SPWR hereby assigns to MSSG all of SPWR's rights, title and interest in and to the SunPower Marks existing outside of the Brand Territory ("Assigned SunPower Trademarks"), together with all of the goodwill symbolized by or associated with the Assigned SunPower Trademarks, and any and all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto including, without limitation, damages and payments for past, present or future infringements, with the right to sue for, enforce and collect such damages and payments.

2.2 Maxeon Trademarks. SPWR hereby assigns to MSSG all of SPWR's rights, title and interest in and to the Maxeon Marks, together with all of the goodwill symbolized by or associated with the Maxeon Marks, and any and all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto including, without limitation, damages and payments for past, present or future infringements, with the right to sue for, enforce and collect such damages and payments.

2.3 Domain Names. SPWR hereby assigns to MSSG all of SPWR's rights, title and interest in and to the Assigned Domain Names, together with all of the goodwill symbolized by or associated with the Assigned Domain Names.

2.4 Reservation of Rights. Except for those rights expressly assigned to MSSG pursuant to Section 2.1 and Section 2.2 and the licenses granted to MSSG pursuant to Section 3.1, SPWR shall remain the sole and exclusive owner of all right, title and interest in and to the SunPower Marks and any other Trademarks owned by SPWR on the Effective Date.

3. LICENSE TO TRADEMARKS

3.1 License to MSSG. Subject to the terms and conditions of this Agreement, SPWR hereby grants MSSG and its Affiliates an exclusive (subject to SPWR's rights to use the SunPower Marks set forth in Section 6.1(a) and (c)), non-sublicensable, royalty-free, fully paid-up license to use, during the Term, the SunPower Marks on Products and Services: (a) within the geographic boundaries of the U.S. Territories, (b) within the Brand Territory as authorized in writing by SPWR, and (c) within the Brand Territory to the extent such Products were manufactured by SPWR prior to the Effective Date. All goodwill related to MSSG's and/or its Affiliates' use of the SunPower Marks under the terms of this Agreement shall inure to the benefit of SPWR.

3.2 License to SPWR. Subject to the terms and conditions of this Agreement, MSSG hereby grants to SPWR and SPWR Affiliates, a non-exclusive, non-sublicensable, royalty-free, fully paid-up license to use, in Canada and during the Term, the Assigned SunPower Trademarks on Products and Services. All goodwill related to SPWR's and/or its Affiliates' use of the Assigned SunPower Trademarks under the terms of this Agreement shall inure to the benefit of MSSG.

3.3 No License to Maxeon Marks. For clarity, no license is granted by MSSG to SPWR to use the Maxeon Marks on any Products or Services. MSSG shall, in good faith, consider any reasonable request by SPWR to use the Maxeon Marks on Products and Services, provided that SPWR shall not have the right to use the Maxeon Marks until MSSG provides express permission to do so.

3.4 Non-Trademark Uses. Nothing herein shall prohibit, limit or restrict either Party from utilizing technology descriptors, including but not limited to, “Shingling”, “Interdigitated Back Contact Solar Cell”, or terms or phrases derived therefrom or analogous thereto, to accurately describe the Products and/or Services, including Products and/or Services that may be marketed or sold in connection with the Maxeon Marks, the SunPower Marks, and/or the Assigned SunPower Trademarks.

4. RESTRICTIONS AND MAINTENANCE OF BRAND QUALITY.

4.1 Restrictions on MSSG. Without limiting any provision of this Agreement, in connection with the license granted to MSSG and its Affiliates pursuant to Section 3.1, MSSG and its Affiliates shall not, during the Term or thereafter:

(a) use, distribute, perform, display or otherwise exploit those SunPower Marks licensed to MSSG and its Affiliates pursuant to Section 3.1, other than in the form provided by SPWR and otherwise in accordance with any instructions provided by SPWR in writing from time to time;

(b) modify those SunPower Marks licensed to MSSG and its Affiliates pursuant to Section 3.1, in any form or manner unless approved in advance in writing in each instance by SPWR;

(c) combine the SunPower Marks licensed to MSSG and its Affiliates pursuant to Section 3.1, with any other Trademarks; or

(d) use those SunPower Marks licensed to MSSG and its Affiliates pursuant to Section 3.1 in any manner that is likely to have an adverse effect on the image or reputation of SPWR, its Affiliates, their respective businesses, or any products or services of SPWR or its Affiliates.

4.2 Restrictions on SPWR. Without limiting any provision of this Agreement, in connection with the license granted to SPWR and its Affiliates pursuant to Section 3.2, SPWR and its Affiliates shall not, during the Term or thereafter:

(a) use, distribute, perform, display or otherwise exploit Assigned SunPower Trademarks, other than in the form provided by MSSG and otherwise in accordance with any instructions provided by MSSG in writing from time to time;

(b) modify Assigned SunPower Trademarks in any form or manner unless approved in advance in writing in each instance by MSSG;

(c) combine the Assigned SunPower Trademarks with any other trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers; or

(d) use Assigned SunPower Trademarks in any manner that is likely to have an adverse effect on the image or reputation of MSSG, its Affiliates, their respective businesses, or any products or services of MSSG or its Affiliates.

4.3 Brand Council. The Parties shall establish a "Brand Council" to manage the Brand Quality Standards, coordinate on marketing, brand assets and strategy, and coordinate other matters that implicate "SUNPOWER" or any derivative thereof to promote the worldwide brand value of "SUNPOWER" and mitigate any confusing or potentially confusing uses of "SUNPOWER." The Brand Council shall be made up of at least one representative from each Party with appropriate authority to bind such party to commercial marketing obligations relating to "SUNPOWER" mark and brand issues.

4.4 Brand Quality Standards. Notwithstanding anything to the contrary set forth herein, neither Party, nor their respective Affiliates, shall use the SunPower Marks or the Assigned SunPower Trademarks on any products or services, including without limitation the Products or Services, that do not satisfy at least the minimum brand quality standards set forth on Exhibit D (the "Brand Quality Standards"). The Brand Quality Standards may only be modified or amended by written agreement of the Parties.

4.5 Restrictions on Sale. Neither Party shall, unless approved by the Parties or the Brand Council, sell, assign, transfer, license (except on a non-exclusive, revocable, terminable basis in connection with such Party's business operations) or otherwise dispose of any of its right, title or interest in or to any of the of the SunPower Marks or the Assigned SunPower Trademarks to a third party (other than such Party's Affiliate).

4.6 Restrictions on Non-use. Each Party shall, unless approved by the Parties or the Brand Council, take commercially reasonable actions to avoid an event or circumstance that would be reasonably foreseen to result in a meaningful loss of rights with respect to such Party's rights in the SunPower Marks or the Assigned SunPower Trademarks.

5. RIGHTS OF FIRST REFUSAL.

5.1 SPWR's Right of First Refusal. MSSG shall promptly provide written notice to SPWR, if at any time MSSG intends to discontinue use of or otherwise abandon use of any of the Assigned SunPower Trademarks, the Maxeon Marks or the Assigned Domain Names. Such notice shall be considered "prompt" if provided within a reasonable amount of time prior to an event or circumstance that would be reasonably foreseen as resulting in a meaningful loss of rights in the Assigned SunPower Trademarks, Maxeon Marks, the Assigned Domain Names, or other marks used in connection with MSSG's rights in SUNPOWER or MAXEON, which are the subject of MSSG's or its Affiliate's intended discontinued use or abandonment (collectively, the "SPWR Option Marks"). Within 30 days of receiving such notice ("SPWR Option Period"), SPWR may exercise an option to acquire, at no cost, all of MSSG's right, title and interest in and to such SPWR Option Marks. SPWR shall be responsible for all costs and fees associated with transferring such SPWR Option Marks to SPWR. Upon expiration of the SPWR Option Period, MSSG and its Affiliates shall be under no obligation to SPWR with respect to abandoning the SPWR Option Marks unless SPWR has exercised its option to acquire the SPWR Option Marks.

5.2 MSSG's Right of First Refusal. SPWR shall promptly provide written notice to MSSG if at any time SPWR intends to discontinue use of or otherwise abandon use of the SunPower Marks (other than the Assigned SunPower Trademarks). Such notice shall be considered "prompt" if provided within a reasonable amount of time prior to an event or circumstance that would be

reasonably foreseen as resulting in a meaningful loss of rights in the SunPower Marks (other than the Assigned SunPower Trademarks) or other marks used in connection with SPWR's rights in SUNPOWER, which are the subject of SPWR's intended discontinued use or abandonment (collectively, the "SpinCo Option Marks"). Within 30 days of receiving such notice ("SpinCo Option Period"), MSSG may exercise an option to acquire, at no cost, all of SPWR's right, title and interest in and to such SpinCo Option Marks. MSSG shall be responsible for all costs and fees associated with transferring such SpinCo Option Marks to MSSG. Upon expiration of the SpinCo Option Period, SPWR shall be under no obligation to MSSG with respect to abandoning the SpinCo Option Marks unless MSSG or its Affiliate has exercised its option to acquire the SpinCo Option Marks.

6. BRAND EXCLUSIVITY.

6.1 Brand Exclusivity. During the period commencing on the Effective Date and ending on the third anniversary of the date on which the Exclusivity Period for both the Direct Market Segment and the Residential and Indirect Market Segment has expired or terminated, SPWR and its Affiliates shall not use the SunPower Marks or the Assigned SunPower Trademarks in connection with any solar panels that are not supplied by MSSG or its Affiliates or manufactured by SPWR or its Affiliates. For the avoidance of doubt, nothing herein shall prohibit or in any way restrict or limit SPWR and its Affiliates from: (a) using the SunPower Marks and/or the Assigned SunPower Trademarks in connection with shingled hypercell solar module products made in the Oregon factory and sold in the Brand Territory and/or in Canada, (b) selling any products or services, outside the Brand Territory and Canada, that do not display any SunPower Marks or Assigned SunPower Trademarks, following the termination or expiration of the Supply Agreement, or (c) using the SunPower Marks and/or the Assigned SunPower Trademarks in connection with solar energy systems in the Brand Territory and/or in Canada, even if those solar energy systems include solar panels, provided such solar panels do not display the SunPower Marks or the Assigned SunPower Trademarks that are otherwise excluded by this Section 6.1.

7. CONFIDENTIALITY.

7.1 Confidentiality. The Party that receives any Confidential Information ("Receiving Party") of the other Party ("Disclosing Party") shall keep all such Confidential Information confidential and shall not disclose any such Confidential Information to any third party without the prior written consent of the Disclosing Party, other than and only (a) to the Receiving Party's representatives who have a business need-to-know such Confidential Information; or (b) and solely to the extent that Receiving Party is required by a governmental or judicial law, order, rule, regulation or permit to disclose such Confidential Information, provided that Receiving Party, to the extent permitted by Law, promptly notifies Disclosing Party of the requirements of such disclosure and cooperates fully with Disclosing Party to minimize such disclosure. The Receiving Party shall exercise at least the same degree of care to safeguard the confidentiality of the Disclosing Party's Confidential Information as it does to safeguard its own proprietary or confidential information of equal importance, but not less than a reasonable degree of care. The Receiving Party shall ensure, by instruction, contract, or otherwise with its representatives that such representatives comply with the provisions of this Section. The Receiving Party shall promptly notify the Disclosing Party in the event that the Receiving Party learns of any unauthorized use or disclosure of such Confidential Information by it or its representatives, and shall promptly take all actions necessary to correct and prevent such use or disclosure.

7.2 Exclusions. The confidentiality obligations in this Section 7 shall not apply to any Confidential Information which: (a) is or becomes generally available to and known by the public (other than as a result of a non-permitted disclosure or other wrongful act directly or indirectly by the Receiving Party); (b) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the Receiving Party has no knowledge that such source was at the time of disclosure to the Receiving Party bound by a confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party which was breached by the disclosure; (c) has been or is hereafter independently acquired or developed by the Receiving Party without reference to such confidential Information and without otherwise violating any confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party; or (d) was in the possession of the Receiving Party at the time of disclosure by the Disclosing Party without restriction as to confidentiality.

8. MAINTENANCE OF RIGHTS

8.1 Trademark Registration and Renewal. Neither Party has the duty or authority to register or maintain the other Party's Trademarks with the United States Patent and Trademark Office or with any other governmental authority in any jurisdiction. Each Party retains the sole right to protect in its sole discretion its Trademarks, including deciding whether and how to file and prosecute applications to register its Trademarks, whether to abandon such applications or registrations, and whether to discontinue payment of any maintenance or renewal fees with respect to any such registrations.

8.2 Notices and Usage. Each Party and each of its Affiliates (each, a "Licensee") shall, in exercising the rights and license granted to Licensee and performing its obligations hereunder, at its sole cost and expense, comply in all material respects with all Laws, including those Laws pertaining to the proper use and designation of the other Party's ("Licensor") Trademarks. All uses of the Licensor's Trademarks by Licensee shall include, as applicable, designations such as "®", "TM" or "SM" as is customary or required under Law and as may be specifically directed by Licensor in writing. Licensor shall have the right to revise the above designation requirements and to require from time to time such other legends, markings and notices as shall be reasonably necessary to protect the rights and interests of Licensor and the Licensor's Trademarks, and, within a reasonable period after notice from Licensor thereof, Licensee shall use its commercially reasonable efforts to implement such requirements and cause, as applicable, such other legends, markings and notices to appear in connection with its uses of the Licensor's Trademarks hereunder.

8.3 Enforcement. If Licensee becomes aware of any actual or suspected infringement or other violation by any third party of the Licensor's Trademarks, Licensee shall promptly notify Licensor. As between the Parties, Licensor shall have the right, but not the obligation, to institute any suit or take any other action (including seeking a co-existence, settlement or other similar agreement) that Licensor deems necessary or desirable to enforce, protect or maintain the Licensor's Trademarks, and, as between the Parties, Licensor shall be responsible for the costs and expenses incurred in connection with the foregoing. Licensee shall, as may be requested by Licensor, cooperate with Licensor's enforcement activities, including being joined as a party in any such action or otherwise

being brought into such action as a necessary party, providing access to relevant documents and other evidence, and making its employees available during business hours. Unless otherwise agreed by the Parties in writing, any damages or other amounts recovered from a third party pursuant to this Section (including as part of any settlement agreement) shall be retained by Licensor.

9. TERM AND TERMINATION

Term. This Agreement shall commence on the Effective Date and shall remain in full force and effect unless and until terminated by mutual written agreement of the Parties ("Term").

10. REPRESENTATIONS AND WARRANTIES DISCLAIMER

10.1 DISCLAIMER. TO THE EXTENT PERMITTED BY LAW, NO PARTY MAKES ANY EXPRESS OR IMPLIED WARRANTY AS TO ITS TRADEMARKS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, QUIET POSSESSION, OR ANY WARRANTIES IMPLIED FROM ANY COURSE OF DEALING OR USAGE OF TRADE, AND EACH PARTY HEREBY DISCLAIMS THE SAME.

11. INDEMNIFICATION; LIMITATION OF LIABILITY

11.1 Indemnification by MSSG. MSSG shall fully indemnify and hold harmless SPWR and its Affiliates and their respective directors, officers, employees and agents (the "SPWR Indemnified Parties") from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) and expenses (collectively, "Damages") incurred by any such SPWR Indemnified Party (a) arising out of or relating to MSSG's or its Affiliates' (i) use of any Trademark in accordance with the provisions of this Agreement or (ii) failure to comply with any of its obligations under this Agreement, including MSSG's or its Affiliates' use of any Trademark in violation of this Agreement; or (b) alleging that any SPWR Indemnified Party is responsible for any action by any SpinCo Indemnified Party (as defined in Section 11.2) by reason of such SpinCo Indemnified Party's use of the SunPower Marks, solely to the extent such claim arises out of such use.

11.2 Indemnification by SPWR. SPWR shall fully indemnify and hold harmless MSSG and its Affiliates and their respective directors, officers, employees and agents (the "SpinCo Indemnified Parties") from and against any and all Damages incurred by any such SpinCo Indemnified Party (a) arising out of or relating to SPWR's or its Affiliates' (i) use of any Trademark in accordance with the provisions of this Agreement; or (ii) failure to comply with any of its obligations under this Agreement, including SPWR's or its Affiliates' use of any Trademark in violation of this Agreement; or (b) alleging that any SpinCo Indemnified Party is responsible for any action by any SPWR Indemnified Party by reason of such SPWR Indemnified Party's use of the Assigned SunPower Trademarks, solely to the extent such claim arises out of such use..

11.3 Indemnity Procedures. Any indemnified Party submitting an indemnity claim under Section 11.1 or 11.2, as applicable ("Indemnified Party"), shall: (a) promptly notify the indemnifying Party under Section 11.1 or 11.2, as applicable ("Indemnifying Party"), of such claim in writing and furnish the Indemnifying Party with a copy of each communication, notice or other

action relating to the event for which indemnity is sought; provided that no failure to provide such notice pursuant to this Section shall relieve the Indemnifying Party of its indemnification obligations, except to the extent such failure materially prejudices the Indemnifying Party's ability to defend or settle the claim; (b) give the Indemnifying Party the authority, information and assistance necessary to defend or settle such suit or proceeding in such a manner as the Indemnifying Party shall determine; and (c) give the Indemnifying Party sole control of the defense (including the right to select counsel, at the Indemnifying Party's expense) and the sole right to compromise and settle such suit or proceeding; provided that, in the case of Sections (b) or (c), the Indemnifying Party shall not, without the written consent of the Indemnified Party, compromise or settle any suit or proceeding unless such compromise or settlement (i) is solely for monetary damages (for which the Indemnifying Party shall be responsible), (ii) does not impose injunctive or other equitable relief against the Indemnified Party and (iii) includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding. Notwithstanding anything in this Section 11.3, with respect to any claim covered by Section 11.1 or 11.2, as applicable, the Indemnified Party (in its capacity as such) may participate in the defense at its own expense.

12. MISCELLANEOUS

12.1 Section 365(n). (a) All rights and licenses granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code and all intellectual property, proprietary information, and other materials licensed under this Agreement are, and shall be deemed to be, "embodiment(s)" of "intellectual property" for purposes of same; (b) the parties will retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code; (c) the parties agree that each party, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code, and that upon commencement of a bankruptcy proceeding by or against the other party as licensor under the U.S. Bankruptcy Code, each party as a licensee will be entitled to a complete duplicate of or complete access to (as the licensee-party deems appropriate), any such intellectual property and all embodiments of such intellectual property; and (d) such intellectual property and all embodiments thereof will be promptly delivered to the licensee-party (i) upon any such commencement of a bankruptcy proceeding upon written request therefor by the licensee-party, unless the licensor-party elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of the licensor-party upon written request therefor by the licensee party. The foregoing is without prejudice to any rights a licensee-party may have arising under the U.S. Bankruptcy Code or other applicable Law.

12.2 Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign this Agreement to an Affiliate or to an acquirer or successor in interest in connection with a Change of Control of such Party without the prior written consent of the other Party, provided that such Party provides the other Party with written notice of any such assignment. "Change of Control" means the closing of (a) a merger, consolidation or similar transaction providing for the acquisition of the direct or indirect ownership of more than fifty percent (50%) of a Party's shares or similar equity interests or voting power of the outstanding voting securities or that represents the power to direct the management and policies of such Party, or (b) the sale of all or substantially all of a Party's assets.

12.3 Governing Law. Disputes concerning the ownership, validity or enforcement of any Trademark rights within the Brand Territory shall be governed by the laws of the United States, without regard to any other choice or conflict of law provision or rules. Disputes concerning ownership, validity, or enforcement of Trademark rights outside the Brand Territory shall be governed by the laws of Singapore, without regard to rules of conflicts of laws. The construction of this Agreement and all other disputes shall be governed by and construed and enforced in accordance with the laws of the State of California, without reference to conflicts of laws principles.

12.4 Dispute Resolution. The Parties shall seek to settle any dispute, controversy or claim relating to this Agreement through good faith negotiation. As to disputes relating to use or display of Trademarks within the Branding Territory, if within (10) days after one Party notifies the other Party of any dispute in writing, the Parties fail to resolve such dispute through good faith negotiation, a legal suit, action, or proceeding may be instituted exclusively in the federal courts of the United States or the courts of the State of California in each case located in the city of San Jose and County of Santa Clara, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. As to disputes relating to use or display of Trademarks outside the Branding Territory, if within (30) days after one Party notifies the other Party of any dispute in writing, the Parties fail to resolve such dispute through good faith negotiation, such dispute shall be settled through arbitration by the Singapore International Arbitration Centre (SIAC) under its latest version of rules of arbitration in force when the arbitration is initiated. The arbitration award shall be final and binding on the Parties. The place of arbitration shall be Singapore. The arbitration proceedings shall be conducted in English by a panel of three arbitrators who are fluent in the English language. Each party shall have the authority to nominate one arbitrator in accordance with SIAC rules. Following confirmation of the two party-nominated arbitrators, they shall select a third neutral arbitrator to serve as the presiding arbitrator in accordance with SIAC rules.

12.5 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

Signature Page Follows

The Parties hereby execute this Agreement as of the Effective Date.

SunPower Corporation

By: _____
Name:
Title:

Maxeon Solar Technologies, Ltd.

By: _____
Name:
Title:

FORM OF CROSS LICENSE AGREEMENT

This CROSS LICENSE AGREEMENT (the "**Agreement**") has been entered into as of [•], 2020 (the "**Effective Date**") by and between SunPower Corporation ("**SPWR**"), a Delaware corporation, and Maxeon Solar Pte. Ltd. ("MSSG"), a Singapore corporation and a wholly-owned subsidiary of Maxeon Solar Technologies, Ltd. ("**SpinCo**"), a Singapore corporation. SPWR and MSSG may also be referred to individually as a "**Party**" or collectively as "**Parties**."

RECITALS

WHEREAS, SPWR and SpinCo have entered into that certain Separation and Distribution Agreement (the "**SDA**"), dated [•], 2019;

WHEREAS, in connection with the transactions contemplated by the SDA, SPWR will license to SpinCo certain intellectual property rights, in accordance with the terms and restrictions set forth in this Agreement; and

WHEREAS, in connection with the transactions contemplated by the SDA, SpinCo will license to SPWR certain intellectual property rights, in accordance with the terms and restrictions set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement and the SDA, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. DEFINITIONS

Unless otherwise defined below or in this Agreement, any capitalized term used in this Agreement shall have the meaning given to it in the SDA. In this Agreement:

1.1 "Confidential Information" means: (a) any information or materials that a Party discloses to the other Party in connection with this Agreement and that is designated by the disclosing Party as confidential or proprietary at the time of disclosure; or (b) any other information or materials disclosed by a Party to the other Party in connection with this Agreement that should reasonably be understood to be confidential by the receiving Party at the time of the disclosure. "Confidential Information" includes the SPWR Licensed IP or the SpinCo Licensed IP that is confidential.

1.2 "Controlled" means, with respect to any particular Intellectual Property, having the power and authority, whether arising by ownership, license, or other authorization, to grant and authorize under such Intellectual Property the license of the scope granted to the other Party under this Agreement without giving rise to any violation of the terms of any written agreement between the granting Party and any third party existing at the time such license first comes into effect hereunder.

1.3 "Residential and Indirect Market Segment" is defined in the Supply Agreement.

1.4 “Direct Market Segment” is defined in the Supply Agreement.

1.5 “Exclusively Licensed SPWR Patents” means the Patents listed in Exhibit A and any Patent obtained or acquired after the Effective Date that claims priority to the Patents listed in Exhibit A.

1.6 “Intellectual Property” means all of the following whether arising under the Laws of the United States or of any foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions (“Patents”), (b) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (c) trade secrets and know-how, and (d) all industrial property rights (other than trademark, service mark, trade dress and other indicators of origin).

1.7 “Licensed Products” means:

(a) Maxeon 2, Maxeon 3, and/or Maxeon 5 configured for use as residential solar panels;

(b) Maxeon 2, Maxeon 3, and/or Maxeon 5 configured for use as commercial solar panels;

(c) Maxeon 2, Maxeon 3, and/or Maxeon 5 configured for use as residential solar panels with the attachment of Enphase module level power electronics;

(d) Maxeon 2, Maxeon 3, and/or Maxeon 5 configured for use in utility scale applications;

(e) Maxeon 2, Maxeon 3, and Maxeon 5 solar cells;

(f) Shingled Panels configured for residential, commercial, or utility scale applications;

(g) specialty products, not including panels or other products for roof mounted or ground mounted use, of less than 170W; and

(h) any other solar cell or solar module product manufactured or reasonably expected to be manufactured by SpinCo as of the Effective Date, including any product implementing the Intellectual Property included in the SpinCo Assets or the Exclusively Licensed SPWR Patents.

1.8 “Licensed SpinCo IP” means Intellectual Property that is both: (a) Controlled by SpinCo as of the Effective Date or is a Patent obtained or acquired after the Effective Date that claims priority to Patents Controlled by SpinCo as of the Effective Date; and (b) necessary or useful to use, copy, modify, distribute, perform, display, create derivatives of, make, have made, import, supply, offer for sale or sell any Licensed Product.

1.9 “Licensed SPWR IP” means Intellectual Property, excluding the Exclusively Licensed SPWR Patents, that is both: (a) Controlled by SPWR as of the Effective Date or is a Patent obtained or acquired after the Effective Date that claims priority to Patents Controlled by SPWR as of the Effective Date; and (b) necessary or useful to use, copy, modify, distribute, perform, display, create derivatives of, make, have made, import, supply, offer for sale or sell any Licensed Product.

1.10 “Maxeon 2” means E-Series and SPR-E* products.

1.11 “Maxeon 3” means X-Series and SPR-X* products.

1.12 “Maxeon 5” means A-Series and SPR-A* products.

1.13 “Product Collaboration Agreement” means that certain Product Collaboration Agreement, by and between the Parties, dated [•], 2020.

1.14 “Shingled Panels” means solar panels made from shingling front contact solar cells into a hypercell, including P-Series or Performance Series solar panels.

1.15 “SpinCo Assets” has the meaning set forth in the SDA.

1.16 “SpinCo Business Plan” means the SpinCo Business Plan for 2019E – 2023E, dated September 2019.

1.17 “SPMOR” means the SPWR facility located in Hillsboro, Oregon.

1.18 “Supply Agreement” means that certain Supply Agreement, by and between the Parties, dated [•], 2020.

1.19 “Territory” means the 50 States of the United States, the District of Columbia and Canada, but not including U.S. territories and possessions. For clarity, the following U.S. territories are not included: Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands.

1.20 “Transition Services Agreement” means certain Transition Services Agreement, by and between the Parties, dated [•], 2020.

2. LICENSE GRANT FROM SPWR TO SPINCO

2.1 License Grant. Subject to Sections 2.3 and 2.4, SPWR and its Affiliates hereby grant and agree to grant to MSSG and its Affiliates a perpetual, non-exclusive, irrevocable, non-transferable (subject to Section 7.3) and non-sublicensable license under the Licensed SPWR IP to use, copy, modify, distribute, perform, display, create derivatives of, make, have made, import, supply, offer for sale or sell any software, hardware, technology, processes or other products, solely for the following purposes: (a) operating any manufacturing asset included in the SpinCo Assets; (b) implementation of the SpinCo Business Plan; (c) commencing on the Effective Date, selling Licensed Products for all applications other than applications in the Residential and Indirect Market Segment and the Direct Market Segment; (d) commencing on the one-year (1 year) anniversary of the Effective Date, selling Licensed Products into the Direct Market Segment; (e) commencing on the two-year (2 year) anniversary of the Effective Date, selling Licensed Products for all applications, including selling Licensed Products into the Residential and Indirect Market Segment and the Direct Market Segment; (f) internal research and development; and (g) authorizing or permitting SpinCo's activities under and in accordance with the Supply Agreement, including selling Licensed Products for all applications, including selling Licensed Products into the Residential and Indirect Market Segment and the Direct Market Segment, if SpinCo's exclusive supply obligations under the Supply Agreement terminate.

2.2 Improvements by SpinCo. MSSG and its Affiliates may make improvements to the Licensed SPWR IP. Unless otherwise set forth in the Product Collaboration Agreement, as between SPWR and MSSG, MSSG shall own such improvements. Such improvements and any Intellectual Property embodied therein (including any subsequently obtained or acquired Patents claiming priority thereto) shall be included in the Licensed SpinCo IP licensed to SPWR and SPWR Affiliates in Section 3.1. The license granted pursuant to this Section 2.2 does not apply to improvements developed under the Product Collaboration Agreement.

2.3 Limited Restrictive Covenant. SPWR shall not, during the three (3) year period following the Effective Date, license any of the Licensed SPWR IP for use by a third party for the purpose of manufacturing any Licensed Products.

2.4 Exclusive License. SPWR and its Affiliates hereby grant and agree to grant to MSSG and its Affiliates a perpetual, **exclusive,** irrevocable, sublicenseable, and non-transferable (subject to Section 7.3) license under the Exclusively Licensed SPWR Patents to use, copy, modify, distribute, perform, display, create derivatives of, make, have made, import, supply, offer for sale or sell any software, hardware, technology, processes or other products (the "Exclusive License"). The Exclusive License to MSSG and its Affiliates includes, with respect to the Exclusively Licensed SPWR Patents, all substantial rights: (a) for MSSG and its Affiliates to exclusively control enforcement and litigation decisions, (b) for MSSG to have independent standing to sue an infringer alone, without joining SPWR in an infringement suit, (c) for MSSG to exclusively negotiate any settlement, including a license, and exclusively recover any damages, both past and present, related to a threatened or actual enforcement action, and (d) for MSSG to exclusively control the prosecution, maintenance, disposal, abandonment, filing of continuing applications and other activities before the United States Patent and Trademark Office (the "USPTO") (collectively, the "Prosecution Activities").

2.5 Collateral Attacks. In the event of a challenge to the validity or enforceability of any of the Exclusively Licensed SPWR Patents, regardless of the nature of such challenge or the forum in which such challenge is asserted (including without limitation the U.S. Patent and Trademark Office), MSSG shall be solely responsible for defending against such challenge, including any and all costs and fees (including without limitation all attorney's fees and costs) associated with such defense.

3. LICENSE GRANT FROM SPINCO TO SPWR

3.1 License Grant. MSSG and its Affiliates hereby grant and agree to grant to SPWR and SPWR Affiliates a perpetual, non-exclusive, irrevocable, non-transferable (subject to Section 7.3) and non-sublicensable license under the Licensed SpinCo IP and the Exclusively Licensed SPWR Patents to use, copy, modify, distribute, perform, display, create derivatives of, make, have made, import, supply, offer for sale and/or sell any software, hardware, technology, processes and/or other products solely for the following limited purposes: (a) manufacturing, offering to sell and selling any Licensed Products within the Territory; (b) research and development; and (c) commencing after termination or expiration of the Supply Agreement, offering to sell and selling, outside of the Territory, Shingled Panels manufactured at SPMOR. For clarity, the license granted pursuant to this Section 3.1 (i) includes all rights required for SPWR and its Affiliates to make, have made, use, import, export, purchase or otherwise acquire solar cells for use at SPMOR to make Shingled Panels, and (ii) does not include a license for SPWR to manufacture or have made Licensed Products outside the Territory.

3.2 Improvements by SPWR. SPWR may make improvements to the Licensed SpinCo IP and Exclusively Licensed SPWR Patents. Unless otherwise set forth in the Product Collaboration Agreement, as between SPWR and SpinCo, SPWR shall own such improvements. Such improvements and any Intellectual Property embodied therein (including any subsequently obtained or acquired Patents claiming priority thereto) shall be included in the Licensed SPWR IP licensed to MSSG and its Affiliates in Section 2.1. The license granted pursuant to this Section 3.2 does not apply to improvements developed under the Product Collaboration Agreement.

4. RESTRICTIONS AND CONFIDENTIALITY

4.1 Restrictions on SpinCo. MSSG and each other member of the SpinCo Group shall not directly or indirectly: (a) participate in any standards-setting or similar organization that would require the Licensed SPWR IP or the Exclusively Licensed SPWR Patents to be licensed, disclosed or distributed to any third party; (b) use the Licensed SPWR IP in conjunction with any open source software in any manner that would require the Licensed SPWR IP to be disclosed or distributed in source code form to any third party; or (c) disclose any of the information or materials contained in the Licensed SPWR IP to any third party without the prior written consent of SPWR, other than the personnel of MSSG or any other member of the SpinCo Group who have a business need-to-know, provided such personnel are themselves bound by written confidentiality agreements with restrictions at least as restrictive as those set forth in this Section 4.1.

4.2 Restrictions on SPWR. SPWR and each other member of the RemainCo Group shall not directly or indirectly: (a) participate in any standards-setting or similar organization that would require the Licensed SpinCo IP or the Exclusively Licensed SPWR Patents to be licensed, disclosed or distributed to any third party; (b) use the Licensed SpinCo IP in conjunction with any open source software in any manner that would require the Licensed SpinCo IP to be disclosed or distributed in source code form to any third party; or (c) disclose any of the information or materials contained in the Licensed SpinCo IP to any third party without the prior written consent of SpinCo, other than to the personnel of SPWR or any other member of the RemainCo Group who have a business need-to-know, provided such personnel are themselves bound by written confidentiality agreements with restrictions at least as restrictive as those set forth in this Section 4.2.

4.3 Confidentiality. The Party that receives any Confidential Information ("Receiving Party") of the other Party ("Disclosing Party") shall keep all such Confidential Information in Receiving Party's possession or reasonable control confidential and shall not disclose any such Confidential Information to any third party without the prior written consent of the Disclosing Party, other than the Receiving Party's representatives who have a business need-to-know such Confidential Information. The Receiving Party shall exercise at least the same degree of care to safeguard the confidentiality of the Disclosing Party's Confidential Information as it does to safeguard its own proprietary or confidential information of equal importance, but not less than a reasonable degree of care. The Receiving Party shall ensure, by instruction, contract, or otherwise with its representatives that such representatives comply with the provisions of this Section 4.3, The Receiving Party shall promptly notify the Disclosing Party in the event that the Receiving Party learns of any unauthorized use or disclosure of such Confidential Information by it or its representatives, and shall promptly take all actions necessary to correct and prevent such use or disclosure.

4.4 Exclusions. The confidentiality obligations in Section 4.3 shall not apply to any Confidential Information which: (a) is or becomes generally available to and known by the public (other than as a result of a non-permitted disclosure or other wrongful act directly or indirectly by the Receiving Party); (b) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the Receiving Party has no knowledge that such source was at the time of disclosure to the Receiving Party bound by a confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party which was breached by the disclosure; (c) has been or is hereafter independently acquired or developed by the Receiving Party without reference to such Confidential Information and without otherwise violating any confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party; (d) was in the possession of the Receiving Party at the time of disclosure by the Disclosing Party without restriction as to confidentiality; or (e) is requested or required to be disclosed to a regulatory authority, provided that the Receiving Party promptly notifies, to the extent practicable, the Disclosing Party in writing of such request or demand for disclosure so that the Disclosing Party, at its sole expense, may seek to make such disclosure subject to an appropriate remedy to preserve the confidentiality of the Confidential Information.

5. TERM AND TERMINATION

5.1 Term. This Agreement and all rights and licenses granted hereunder shall commence on the Effective Date and shall continue until terminated by either Party in accordance with this Section 5.

5.2 Termination Rights.

(a) Termination by Mutual Agreement. At any time, for any reason whatsoever, this Agreement may be terminated effective immediately upon the Parties' mutual agreement.

(b) No Termination for Breach. Nothing in this Agreement grants a Party a right to terminate this Agreement, in whole or in part, for breach.

6. INDEMNIFICATION; ASSUMPTION OF RISK; COSTS AND COOPERATION

6.1 Indemnification by SpinCo. MSSG shall fully indemnify and hold harmless SPWR and its Affiliates and their respective directors, officers, employees and agents (the "SPWR Indemnified Parties") from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) and expenses (collectively, "Damages") incurred by any such SPWR Indemnified Party based on any third party claim (a) arising out of or relating to MSSG's breach of this Agreement, (b) alleging that any SPWR Indemnified Party is responsible for any action by any SpinCo Indemnified Party (as defined in Section 6.2) by reason of such SpinCo Indemnified Party's use of the Licensed SPWR IP or the Exclusively Licensed SPWR Patents, solely to the extent such claim arises out of such use, (c) alleging the Exclusively Licensed SPWR Patents are invalid or unenforceable (including any actions against the Exclusively Licensed SPWR Patents before the USPTO), or (d) arising out of or related to any litigation or other enforcement of the Exclusively Licensed SPWR Patents by MSSG.

6.2 Indemnification by SPWR. SPWR shall fully indemnify and hold harmless MSSG and its Affiliates and their respective directors, officers, employees and agents (the "SpinCo Indemnified Parties") from and against any and all Damages incurred by any such SPWR Indemnified Party based on any third party claim (a) arising out of or relating to SPWR's breach of this Agreement, or (b) alleging that any SpinCo Indemnified Party is responsible for any action by any SPWR Indemnified Party by reason of such SPWR Indemnified Party's use of the Licensed SpinCo IP and Exclusively Licensed SPWR Patents, solely to the extent such claim arises out of such use.

6.3 Indemnity Procedures. Any indemnified Party submitting an indemnity claim under Section 6.1 or 6.2, as applicable ("Indemnified Party"), shall: (a) promptly notify the indemnifying Party under Section 6.1 or 6.2, as applicable ("Indemnifying Party"), of such claim in writing and furnish the Indemnifying Party with a copy of each communication, notice or other action relating to the event for which indemnity is sought; provided that no failure to provide such notice pursuant to this Section shall relieve the Indemnifying Party of its indemnification obligations, except to the extent such failure materially prejudices the Indemnifying Party's ability to defend or settle the claim; (b) give the Indemnifying Party the authority, information and assistance necessary to defend or settle such suit or proceeding in such a manner as the Indemnifying Party shall determine; and (c) give the Indemnifying Party sole control of the defense (including the right to select counsel, at the Indemnifying Party's expense) and the sole right to compromise and settle such suit or proceeding; provided that, in the case of Sections (b) or (c), the Indemnifying Party shall not, without the written consent of the Indemnified Party, compromise or settle any suit or proceeding unless such compromise or settlement (i) is solely for monetary damages (for which the Indemnifying Party shall be responsible), (ii) does not impose injunctive or other equitable relief against the Indemnified Party and (iii) includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding.

Notwithstanding anything in this Section 6.3, with respect to any claim covered by Section 6.1 or 6.2, as applicable, the Indemnified Party (in its capacity as such) may participate in the defense at its own expense.

6.4 Consequential Damages. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THIS AGREEMENT, EXCEPT IN CONNECTION WITH A BREACH OF SECTION 4, IT BEING UNDERSTOOD THAT A PARTY'S BREACH OF ITS INDEMNITY OBLIGATIONS HEREUNDER SHALL BE DIRECT DAMAGES REGARDLESS OF WHETHER THE DAMAGES CLAIM FOR WHICH INDEMNITY IS SOUGHT IS CHARACTERIZED AS SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL.

6.5 Costs and Cooperation. MSSG shall be solely responsible for directing the Prosecution Activities for the Exclusively Licensed SPWR Patents and all associated costs related to the Prosecution Activities. SPWR shall provide its full cooperation in facilitating MSSG's directions, rights and obligations associated with the Prosecution Activities, including but not limited to executing formal documents with the USPTO and transmitting instructions to outside counsel who manage the Prosecution Activities before the USPTO. SPWR is strictly prohibited from taking action on any of the Exclusively Licensed SPWR Patents without the written approval of MSSG, including Prosecution Activities, such as abandoning any of the Exclusively Licensed SPWR Patents. SPWR shall not be liable to MSSG or its Affiliates for any action or inaction on behalf of MSSG or its Affiliates relating to any of the Prosecution Activities.

7. MISCELLANEOUS

7.1 Reservation. All rights not expressly granted by a Party hereunder are reserved by such Party. Nothing contained herein shall be construed or interpreted as a grant, by implication or otherwise, of any licenses other than the licenses expressly set forth in Sections 2. and 3.

7.2 Section 365(n). (a) All rights and licenses granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code and all intellectual property, proprietary information, and other materials licensed under this Agreement are, and shall be deemed to be, "embodiment(s)" of "intellectual property" for purposes of same; (b) the parties will retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code; (c) the parties agree that each party, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code, and that upon commencement of a bankruptcy proceeding by or against the other party as licensor under the U.S. Bankruptcy Code, each party as a licensee will be entitled to a complete duplicate of or complete access to (as the licensee-party deems appropriate), any such intellectual property and all embodiments of such intellectual property; and (d) such intellectual property and all embodiments thereof will be promptly delivered to the licensee-party (i) upon any such commencement of a bankruptcy proceeding upon written request therefor by the licensee-party, unless the licensor-party elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of the licensor-party upon written request therefor by the licensee party. The foregoing is without prejudice to any rights a licensee-party may have arising under the U.S. Bankruptcy Code or other applicable Law.

7.3 Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign this Agreement to an Affiliate or to an acquirer or successor in interest in connection with a Change of Control of such Party without the prior written consent of the other Party, provided that such Party provides the other Party with written notice of any such assignment. “Change of Control” means the closing of (a) a merger, consolidation or similar transaction providing for the acquisition of the direct or indirect ownership of more than fifty percent (50%) of a Party’s shares or similar equity interests or voting power of the outstanding voting securities or that represents the power to direct the management and policies of such Party, or (b) the sale of all or substantially all of a Party’s assets.

7.4 Governing Law. Disputes concerning the ownership, validity or enforcement of any Intellectual Property rights within the Territory shall be governed by the laws of the United States, without regard to any other choice or conflict of law provision or rules. Disputes concerning ownership, validity, or enforcement of Intellectual Property rights outside the Territory shall be governed by the laws of Singapore, without regard to rules of conflicts of laws. The construction of this Agreement and all other disputes shall be governed by and construed and enforced in accordance with the laws of the State of California, without reference to conflicts of laws principles.

7.5 Dispute Resolution. The Parties shall seek to settle any dispute, controversy or claim relating to this Agreement through good faith negotiation. As to disputes within the Territory, if within ten (10) days after one Party notifies the other Party of any dispute in writing, the Parties fail to resolve such dispute through good faith negotiation, a legal suit, action, or proceeding may be instituted exclusively in the federal courts of the United States or the courts of the State of California in each case located in the city of San Jose and County of Santa Clara, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. As to disputes outside the Territory, if within thirty (30) days after one Party notifies the other Party of any dispute in writing, the Parties fail to resolve such dispute through good faith negotiation, such dispute shall be settled through arbitration by the Singapore International Arbitration Centre (SIAC) under its latest version of rules of arbitration in force when the arbitration is initiated. The arbitration award shall be final and binding on the Parties. The place of arbitration shall be Singapore. The arbitration proceedings shall be conducted in English by a panel of three arbitrators who are fluent in the English language. Each party will have the authority to nominate one arbitrator in accordance with SIAC rules. Following confirmation of the two party-nominated arbitrators, they shall select a third neutral arbitrator to serve as the presiding arbitrator in accordance with SIAC rules.

7.6 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

[*Signature page follows*]

The Parties hereby execute this Agreement as of the Effective Date.

SunPower Corporation	Maxeon Solar Pte. Ltd.
By: _____	By: _____
Name:	Name:
Title:	Title:

Exhibit 4.8

FORM OF COLLABORATION AGREEMENT

This COLLABORATION AGREEMENT (the "Agreement") has been entered into as of [●], 2020 (the "Effective Date") by and between SunPower Corporation ("SPWR"), a Delaware corporation and Maxeon Solar Pte. Ltd. ("MSSG"), a Singapore corporation and a wholly-owned subsidiary of Maxeon Solar Technologies, Ltd. ("SpinCo"), a Singapore corporation. SPWR and MSSG may also be referred to individually as a "Party" or collectively as "Parties."

RECITALS

WHEREAS, SPWR and SpinCo have entered into that certain Separation and Distribution Agreement (the "SDA"), dated [●], 2019, pursuant to which certain assets, including Intellectual Property, have been assigned from SPWR to SpinCo; and

WHEREAS, in accordance with the SDA, SPWR and SpinCo desire to collaborate on the development and commercialization of industry leading products, in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. DEFINITIONS

Unless otherwise defined below or in this Agreement, any capitalized term used in this Agreement shall have the meaning given to it in the SDA. In this Agreement:

1.1 "Affiliate" of a Party means any entity which (directly or indirectly) is controlled by, controls or is under common control with such Party. For the purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to a party means possession of the power to direct or cause the direction of the management and policies of such entity (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). For the avoidance of doubt, for the purposes of this Agreement, SPWR (and its Affiliates) and MSSG (and its Affiliates) shall not be considered or deemed to be Affiliates of each other.

1.2 "Agreement Term" has the meaning set forth in Section 12.1.

1.3 "Background IP" means any Intellectual Property that is (a) owned or controlled by a Party or any Affiliates of such Party prior to the Effective Date or (b) otherwise discovered, created, conceived of, first reduced to practice, or acquired by a Party or any Affiliates of such Party independently of this Agreement.

1.4 "Collaboration" has the meaning set forth in Section 2.1.

1.5 "Collaboration Budget" has the meaning set forth in Section 4.1.

1.6 “Collaboration Market Segment” means the Residential and Indirect Market Segment and the Direct Market Segment.

1.7 “Collaboration Territory” means the 50 States of the United States, the District of Columbia and Canada, but does not include U.S. territories and possessions. For clarity, the following U.S. territories are not included in the Collaboration Territory: Puerto Rico, American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands.

1.8 “Commercial Approval” means the date a Developed Product or a Commercialization Project is approved for commercial-scale manufacturing by MSSG and/or SPWR.

1.9 “Commercialization Project” means any activity relating to the commercialization of a product (including a Developed Product, a Licensed Product defined in the Cross License Agreement and/or a supplied product supplied under the Supply Agreement for which the Parties or the Management Committee has approved a Development Plan (any such product that is the subject to such activity, a “Commercialization Project Product”). The Parties intend to include or review opportunities to include as Commercialization Projects: Maxeon 5 Commercialization and Shingled Solar Panel Commercialization (all of which are defined below), as well as other projects mutually agreed upon by the Parties.

(a) Maxeon 5 Commercialization: Commercialization activities pertaining to Maxeon 5, and specifically to MSSG’s or its Affiliate’s manufacturing of Maxeon 5. Maxeon 5 is a product defined in the Cross License Agreement.

(b) Shingled Solar Panel Commercialization: Commercialization activities pertaining to shingled solar panels, and specifically to SPWR’s manufacturing of shingled solar panels.

1.10 “Commercialization Project Product” has the meaning set forth in Section 1.9.

1.11 “Commercialization Project Term” for each Commercialization Project has the meaning set forth in Section 12.2.

1.12 “Confidential Information” means: (a) any confidential or proprietary information or materials included in the Background IP or the Foreground IP, (b) any information or materials that a Party discloses to the other Party in connection with this Agreement and that is designated by the disclosing Party as confidential or proprietary at the time of disclosure; or (c) any other information or materials disclosed by a Party to the other Party in connection with this Agreement that should reasonably be understood to be confidential by the receiving Party at the time of the disclosure.

1.13 “Cross License Agreement” means that certain Cross License Agreement, by and between the Parties, dated [●], 2020.

1.14 “Residential and Indirect Market Segment” is defined in the Supply Agreement.

1.15 “Direct Market Segment” is defined in the Supply Agreement.

1.16 “Development Plan” has the meaning set forth in Section 3.1.

1.17 “Developed Product” means any product for which the Parties or the Management Committee has approved a Development Plan. The Parties intend to include or review opportunities to include as Developed Products: Maxeon 6, Improved Licensed Products, Flex panels, and shingled solar panels (all of which are defined below), as well as other products mutually agreed upon by the Parties.

(a) Maxeon 6: An industry leading panel for both cost and performance in residential, commercial and power plant applications.

(b) Improved Licensed Products: Improved, modified, altered or otherwise changed versions of the Licensed Products defined in the Cross License Agreement.

(c) Flex panels: A non-glass solar panel that is industry leading in logistics and installation costs for residential, commercial and power plant applications.

(d) Shingled solar panels: A solar panel made from shingling front contact solar cells into a hypercell that is industry leading in logistics and installation costs for residential, commercial and power plant applications.

1.18 “Developed Product Exclusivity Period” has the meaning set forth in Section 10.3.

1.19 “Development Term” for each Developed Product has the meaning set forth in Section 12.3.

1.20 “Foreground IP” means any Intellectual Property created or conceived by a Party directly in connection with the performance of, and during the term of, this Agreement.

1.21 “Intellectual Property” means all of the following whether arising under the Laws of the United States or of any foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions (“Patents”), (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, accounts with Facebook, LinkedIn, Twitter and similar social media platforms, registrations and related rights, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, and (f) any other intellectual property rights.

1.22 "Management Committee" has the meaning set forth in Section 5.1.

1.23 "Product Discount" has the meaning set forth in Section 4.2.

1.24 "ROFO Acceptance" has the meaning set forth in Section 10.4(a)

1.25 "ROFR Acceptance" has the meaning set forth in Section 10.4(b)

1.26 "SPWR Reimbursable Costs" has the meaning set forth in Section 4.2.

1.27 "Supply Agreement" means that certain Supply Agreement, by and between the Parties, dated [●], 2020.

2. SCOPE OF COLLABORATION

2.1 Scope. The Parties shall collaborate on the development and commercialization of products in accordance with a Development Plan for each Developed Product and a Development Plan for each Commercialization Project (collectively referred to as the "Collaboration") during the applicable Development Term or Commercialization Project Term in accordance with this Agreement.

3. COLLABORATIVE DEVELOPMENT

3.1 Development Plan. The Parties shall enter into a development plan ("Development Plan"), as created and approved by the Parties or the Management Committee, which will specify the timelines and plans for: (i) the development of a Developed Product, to enable the launch of the Developed Product within two (2) years from the commencement of the Development Term of such Developed Product; or (ii) the Commercialization Project, to enable or achieve commercialization objectives, such as cost reduction and high volume deployment, within two (2) years from the commencement of the Commercialization Project Term. A separate Development Plan shall be created for each Developed Product and for each Commercialization Project. Each Development Plan shall include at least the following (as applicable):

(a) identification of intermediate deliverables, a timeline for development, delivery and approval of such intermediate deliverables, and each Party's responsibilities with regard to the development and approval of such intermediate deliverables;

(b) the financial obligations of each Party under such Development Plan, including any contingencies and/or triggers for when any required investment or payment should be made;

(c) detailed technical specifications setting forth required features and functionality for the Developed Product that is the subject of the Development Plan;

(d) identification of any testing, approval, certification or similar requirements to be obtained prior to Commercial Approval;

(e) cost and price specifications; and

(f) supply terms, including whether the Developed Product or Commercialization Project Product will be supplied from MSSG or its Affiliate to SPWR in accordance with the Supply Agreement or any similar agreement related to the supply of products from MSSG or its Affiliate to SPWR, such supply terms including any exceptions to exclusivity (such as market-share or product volume based exceptions).

3.2 MSSG Resource Plan. In connection with each approved Development Plan, MSSG shall be primarily responsible for providing manufacturing technology and resources, and thus will contribute resources in the following areas: equipment, capital, procurement, supply chain, reliability, deployment, and manufacturing technology.

3.3 SPWR Resource Plan. In connection with each approved Development Plan, SPWR shall be primarily responsible for providing product technology and resources, and thus will contribute resources in the following areas: product design, product architecture, product performance and system integration.

4. COLLABORATION COSTS

4.1 Collaboration Budget. The Collaboration shall be conducted in accordance with the Collaboration Budget set forth at the exhibit attached hereto ("Collaboration Budget"). The Collaboration Budget shall reflect all current Development Plans and associated costs expected to be incurred by SPWR. Any modification to the Collaboration Budget shall be effective only if approved by the Management Committee or the Parties and such modifications shall be reflected in the current Development Plans as appropriate.

4.2 SPWR Reimbursable Costs. MSSG shall fund all costs in connection with the Collaboration in accordance with this Section 4.2. To the extent SPWR incurs costs within the Collaboration Budget and SPWR is otherwise not obligated to fund such costs, as specified in a Development Plan or in the Collaboration Budget (the "SPWR Reimbursable Costs"), MSSG or another member of the SpinCo Group (as defined in the SDA) shall reimburse SPWR for such SPWR Reimbursable Costs in accordance with Section 4.3.

4.3 Product Discount. MSSG or another member of the SpinCo Group shall reimburse SPWR for the SPWR Reimbursable Costs by way of a discount on products supplied under either the Supply Agreement or any similar agreement related to the supply of products by MSSG or its Affiliate to SPWR (the "Product Discount"). In the event the Supply Agreement is not active and there is no other similar agreement related to the supply of products by MSSG or its Affiliate to SPWR, then the Parties shall negotiate on commercially reasonable terms a mechanism, such as a royalty plan, for MSSG to reimburse SPWR.

4.4 Direct Costs. Each Party shall be responsible for directly paying for their own direct resource costs in association with the Collaboration, provided SPWR's direct costs that qualify as SPWR Reimbursable Costs shall be reimbursed by MSSG in accordance with Sections 4.2 and 4.3. These direct resource costs shall include direct vendor costs and direct labor overhead costs typical for a research program, including but not limited to salary, bonus, travel costs, facilities, IT, laboratory overhead costs, and regular experimentation costs.

4.5 Capital Equipment. Except as set forth in the Collaboration Budget and/or an approved Development Plan, any capital equipment purchased in the course of a Collaboration and funded or reimbursed by MSSG or any other member of the SpinCo Group shall be owned by MSSG.

5. JOINT MANAGEMENT COMMITTEE

5.1 Establishment; Responsibilities. Within 30 days after the Effective Date, the Parties will establish a joint, co-chaired joint management committee ("Management Committee") that will be responsible for the overall strategic alignment and direction with respect to the Collaboration, including the following:

(a) creating and approving the Development Plan for each Developed Product and each Commercialization Project;

(b) coordinating and facilitating the performance of each Development Plan;

(c) facilitating the identification, protection and management of Intellectual Property created pursuant to the Collaboration;

(d) administering and managing the Collaboration in accordance with the Collaboration Budget;

(e) performing such other responsibilities as may be required of the Management Committee pursuant to this Agreement; and

(f) performing such other responsibilities as may be agreed upon by the Parties.

5.2 Composition. The Management Committee will have two co-chairpersons, with SPWR appointing one chairperson and MSSG appointing the other chairperson. SPWR and MSSG will each appoint one additional person to serve on the Management Committee. MSSG and SPWR, as applicable, may remove and, if desired, replace any of its respective appointees at any time and for any reason. Each Party will ensure that its representatives on the Management Committee have the appropriate expertise and seniority for the then-current stage of development and commercialization of the Developed Products and the Commercialization Projects and will have sufficient authority to act on behalf of such Party with respect to matters within the purview of the Management Committee.

5.3 Meetings. The Management Committee will hold meetings at such times as the Management Committee chairpersons mutually agree in good faith. Meetings of the Management Committee will be deemed duly convened and held if at least one representative of each Party is present. The Management Committee may meet (a) either in person at such locations as the Management Committee mutually agrees or (b) by audio or video teleconference. Any member of the Management Committee attending via telephone or teleconference will have all rights to

participate fully and vote. The Management Committee may elect to invite any functional representatives of the Parties (e.g., product, engineering, commercial or finance) to any meeting at which the Management Committee plans to discuss matters relating to the expertise of such functional representative(s), provided that such functional representatives will not be entitled to vote at such meeting and will be bound by the confidentiality obligations set forth in Section 11.

5.4 Decision-Making Authority. The members of the Management Committee will each be entitled to cast one vote on any matter to be acted upon at a meeting held in accordance with Section 5.3. Except as otherwise provided in this Agreement, any decision or action required or permitted to be made or taken by the Management Committee will only be made or taken upon unanimous agreement of the members of the Management Committee in attendance at a duly convened meeting.

6. INTELLECTUAL PROPERTY

6.1 No Transfer of Background IP. Subject to the licenses granted pursuant to this Agreement and the licenses granted pursuant to the Cross License Agreement, each Party retains all right, title and interest in its Background IP.

6.2 Licenses to Background IP.

(a) License to MSSG. SPWR hereby grants to MSSG and each other member of the SpinCo Group a limited, perpetual, non-exclusive, irrevocable, non-transferable, non-sublicenseable license to use SPWR's Background IP, limited to: (i) use in connection with the Collaboration; and (ii) making, having made, using, selling, offering to sell or importing into the Collaboration Territory a Developed Product or a Commercialization Project Product to the extent SPWR's Background IP is incorporated in such Developed Product or Commercialization Project Product, and in all cases, subject to the Cross License Agreement and Sections 10.1 and 10.2.

(b) License to SPWR. MSSG hereby grants to SPWR a limited, perpetual, non-exclusive, irrevocable, non-transferable, non-sublicenseable license to use MSSG's Background IP, limited to: (i) use in connection with the Collaboration; and (ii) making, having made, using, selling or offering to sell a Developed Product or a Commercialization Project Product to the extent MSSG's Background IP is incorporated in such Developed Product or Commercialization Project Product, and in all cases, subject to the Cross License Agreement and Sections 10.1 and 10.2.

6.3 Foreground IP.

(a) Ownership. To the extent any Foreground IP is created or conceived in connection with the Collaboration by either Party, such Foreground IP shall be exclusively owned by MSSG, and SPWR hereby assigns, and MSSG hereby accepts, any and all right, title and interest it may have in such Foreground IP to MSSG.

(b) License to SPWR. MSSG hereby grants to SPWR a limited, perpetual, irrevocable, non-transferable, non-sublicensable license to make, have made, use, modify, market, sell, offer for sale, supply, copy, display, distribute, perform, and prepare derivative works of the Foreground IP, limited to: (i) use in connection with the Collaboration; and (ii) use in connection with a Developed Product or a Commercialization Project Product for activities in the Collaboration Territory, and in all cases subject to Sections 10.1 and 10.2. The license in this Section 6.3(b) is: (1) a sole license to SPWR during the Developed Product Exclusivity Period; (2) a non-exclusive license to SPWR following expiration of the Developed Product Exclusivity Period; and (3) a non-exclusive license to SPWR for a Commercialization Project Product.

7. PATENT PROSECUTION

7.1 Mutual Responsibilities and Rights. Each Party has an obligation to use commercially reasonable efforts to identify any Foreground IP developed under or resulting from the Collaboration. Upon the identification of such Foreground IP by a Party, such Party shall disclose the Foreground IP to the Management Committee, unless such disclosure would violate applicable law, including applicable export control laws. To the extent that either Party reasonably determines that disclosure of such Foreground IP to the Management Committee would violate applicable law, each Party shall have the discretion and consent of the other Party to immediately take such actions as are necessary to obtain required governmental or other approvals to disclose such Foreground IP to the Management Committee and protect the Intellectual Property rights in the Foreground IP, which may include filing a patent application, without the approval of the Management Committee. The disclosures to the Management Committee required by this section shall be made promptly once all such required approvals have been obtained. To the extent that any Patent is filed by SPWR pursuant to this Section 7.1, SPWR agrees to and hereby does assign to MSSG, and MSSG hereby accepts, all right, title and interest in and to such Patent, and MSSG shall reimburse SPWR for any fees or costs associated with preparing and filing such Patent.

7.2 MSSG Responsibilities. As between the Parties, MSSG has the first right and primary responsibility for preparing, filing, prosecuting and maintaining patent claims of appropriate scope for the Foreground IP, for the mutual benefit of the Parties. MSSG shall engage patent counsel, reasonably acceptable to SPWR, to prepare, file, prosecute, and maintain the Patents related to the Foreground IP, and within 30 days of the Effective Date, MSSG shall provide SPWR written notice of the name of MSSG's patent counsel. MSSG shall inform SPWR of any transfer of Patents related to the Foreground IP to other counsel. MSSG shall assume all costs associated with the preparation, filing, perfection and maintenance of the Patents related to the Foreground IP. With regard to the Foreground IP that is or should be protected in the Collaboration Territory, MSSG shall, or shall instruct its patent counsel to, provide SPWR with access to: (a) copies of all applications, amendments, claims, petitions, notices or other filings made or proposed to be made with the appropriate governmental authority; (b) copies of all documents and correspondence relating to such Foreground IP received from the governmental authority through which such protection is sought promptly after receipt; and (c) copies of all documents and correspondence relating to such Foreground IP prior to the filing of such documents with the governmental authority through which such protection is sought. All documents, materials, and/or information required by the preceding sentence to be made accessible to SPWR shall be made accessible promptly following receipt by MSSG or its counsel but no later than forty-five (45) days prior to submission to the appropriate governmental authority, unless circumstances

reasonably require a different time period in which case MSSG shall provide the documents, materials, and/or information to SPWR as soon as practical under the circumstances. MSSG shall give due consideration to any comments, revisions, modifications, changes, additions or deletions reasonably requested by SPWR and shall not unreasonably reject the same.

7.3 SPWR Option to Prosecute. In the event that MSSG determines not to file, maintain or continue prosecution of any Foreground IP in the Collaboration Territory, or otherwise elects to intentionally abandon such Foreground IP, MSSG shall provide SPWR with written notice thereof at least forty-five (45) days before such abandonment would be effective. Upon receipt of such notice, SPWR may, at its own expense, assume sole responsibility for filing, prosecuting and/or maintaining such patents and patent applications. If SPWR decides to assume such responsibility, it shall notify MSSG in writing no later than fifteen (15) days prior to the applicable deadline. Any such Patent will not be considered Foreground IP and MSSG forfeits all rights under this Agreement to such Patents arising therefrom. MSSG shall execute such documents and take such other steps as may be reasonably required to give effect to this Section 7.3.

8. PATENT ENFORCEMENT

8.1 Notice of Infringement. If either Party becomes aware of any (a) actual or suspected infringement, anywhere in the world, of a Patent related to the Foreground IP by a third party; or (b) allegations from a third party alleging the invalidity, unenforceability or non-infringement of a Patent related to the Foreground IP, such Party shall promptly notify the other Party in writing to that effect, and include in the notice any such evidence of infringement possessed by that Party. Upon such notice and before proceeding with any action (e.g., cease and desist notice), the Parties shall consult with each other, in good faith, regarding whether to enforce such Patent rights, an appropriate approach for such enforcement, an allocation of costs for such enforcement effort, and allocation of proceeds that may result from such enforcement effort. This Section 8.1 shall not prevent either Party from enforcing its rights in any Patent independently without the participation of the other Party.

9. ROYALTY

9.1 Royalty to SPWR. Unless otherwise specified in the Development Plan for a Developed Product or a Commercialization Project Product, or otherwise agreed to by the Parties to reimburse SPWR for SPWR Reimbursable Costs, MSSG and the other members of the SpinCo Group shall have no obligation to pay any royalties to SPWR or its Affiliates for sales of such Developed Product or such Commercialization Project Product.

9.2 Royalty to MSSG. Unless otherwise specified in the Development Plan for a Developed Product or a Commercialization Project Product, SPWR shall have no obligation to pay any royalties to MSSG or its Affiliates for sales of such Developed Product or such Commercialization Project Product.

10. INDUSTRIALIZATION AND SUPPLY

10.1 Exclusive Right to Manufacture (MSSG). MSSG shall have the exclusive right to manufacture the Developed Products and Commercialization Project Products, in whole or in part, outside the Collaboration Territory.

10.2 Sole Right to Manufacture (SPWR). SPWR shall have the sole right to manufacture the Developed Products and Commercialization Project Products, in whole in or in part, within the Collaboration Territory, whereby both SPWR and MSSG can each exercise rights to manufacture the Developed Products and Commercialization Project Products within the Collaboration Territory.

10.3 Exclusive Supply Relationship. During the Developed Product Exclusivity Period for a Developed Product, and subject to Section 10.4, SPWR shall have the exclusive right to sell and offer to sell, and MSSG shall have the exclusive right to supply to SPWR, within the Collaboration Market Segment, such Developed Product. If not already defined in a Development Plan, the terms and conditions of such exclusivity supply of a Developed Product shall be negotiated between the Parties in good faith and on commercially reasonable terms in view of the Development Plan, including cost and price specifications, and any then-existing supply agreements between the Parties. The "Developed Product Exclusivity Period" for a Developed Product means the period commencing on Commercial Approval for the Developed Product and expiring, for each Developed Product, on the earlier of: (i) the second anniversary of the end of the Development Term for such Developed Product, (ii) subject to a thirty (30) day cure period, the date of occurrence of any event specified in the Development Plan supply terms relating to exceptions to exclusivity (such as market-share or product volume based exceptions), or (iii) as otherwise defined in the Development Plan. For a period of one (1) year following the expiration of the Developed Product Exclusivity Period for a Developed Product, neither MSSG nor SPWR shall, within the Collaboration Market Segment, enter into an exclusive supply relationship with a third party for such Developed Product. This Section 10.3 shall not provide, impose or confer any additional exclusivity obligations or rights for, on or to either Party with respect to Commercialization Project Products. Specifically, for a Commercialization Project for a Developed Product, this Section 10.3 shall only be effective during the Developed Product Exclusivity Period for such Developed Product and shall not extend or otherwise renew notwithstanding the Commercialization Project, except as may be otherwise set forth in the Development Plan for the Commercialization Project.

10.4 Rights of First Offer (ROFO) and Rights of First Refusal (ROFR).

(a) SPWR ROFO. If at any time after expiration of the Developed Product Exclusivity Period for a Developed Product, but during the Agreement Term ("ROFO/ROFR Term"), MSSG desires to negotiate, execute, agree to or otherwise become bound by one or more contractual or other obligations to supply Developed Products manufactured by MSSG to a third party for sale in the Collaboration Market Segment, MSSG shall first offer to enter into such supply agreement with SPWR. MSSG shall make such offer to SPWR in writing. If, within 15 days of receiving such written offer from MSSG, SPWR provides written notice ("ROFO Acceptance") to MSSG of SPWR's intent to negotiate such a supply agreement

with MSSG, the Parties shall thereafter engage in good faith negotiations on the terms of such supply agreement. In the event SPWR does not provide the ROFO Acceptance, or in the event SPWR and MSSG are unable to agree upon the terms of such a supply agreement within 90 days of the date of the ROFO Acceptance, then MSSG may enter into an agreement with a third party on the same material terms as were offered to SPWR, provided: (i) such third party agreement is executed prior to the first anniversary of the date on which MSSG first offered such terms to SPWR; and (ii) any changes or modifications of such material terms must first be offered to SPWR as a new offer to enter into a contract pursuant to this Section 10.5(a).

(b) MSSG ROFR. If at any time during the ROFO/ROFR Term, SPWR desires to negotiate, execute, agree to or otherwise become bound by a contractual or other obligation with a third party to have any Developed Products supplied to or made for SPWR for sale in the Collaboration Market Segment, SPWR shall provide written notice of such intent to MSSG, setting forth the material terms upon which SPWR would enter into such a supply agreement. Within 15 days of receiving such written offer from SPWR, MSSG, by providing written notice ("ROFR Acceptance") to SPWR, may agree to supply such Developed Products to SPWR on the same material terms. In the event MSSG does not provide the ROFR Acceptance, or in the event SPWR and MSSG are unable to agree upon the terms of such a supply agreement within 90 days of the date of the ROFR Acceptance, then SPWR may enter into an agreement with a third party on the same material terms as were offered to MSSG, provided: (i) such third party agreement is executed prior to the first anniversary of the date on which SPWR first offered such terms to MSSG; and (ii) any changes or modifications of such material terms must first be offered to MSSG as a new offer to enter into a contract pursuant to this Section 10.5(b).

10.5. Applicability. Solely for the purpose of this Section 10, references to "MSSG" shall include each other member of the SpinCo Group.

11. CONFIDENTIALITY

11.1 Confidentiality. The Party that receives any Confidential Information ("Receiving Party") of the other Party ("Disclosing Party") shall keep all such Confidential Information in Receiving Party's possession or reasonable control confidential and shall not disclose any such Confidential Information to any third party without the prior written consent of the Disclosing Party, other than the Receiving Party's representatives who have a business need-to-know such Confidential Information. The Receiving Party shall exercise at least the same degree of care to safeguard the confidentiality of the Disclosing Party's Confidential Information as it does to safeguard its own proprietary or confidential information of equal importance, but not less than a reasonable degree of care. The Receiving Party shall ensure, by instruction, contract, or otherwise with its representatives that such representatives comply with the provisions of this Section 11.1. The Receiving Party shall promptly notify the Disclosing Party in the event that the Receiving Party learns of any unauthorized use or disclosure of such Confidential Information by it or its representatives, and shall promptly take all actions necessary to correct and prevent such use or disclosure.

11.2 Exclusions. The confidentiality obligations in Section 11.1 shall not apply to any Confidential Information which: (a) is or becomes generally available to and known by the public (other than as a result of a non-permitted disclosure or other wrongful act directly or indirectly by the Receiving Party); (b) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the Receiving Party has no knowledge that such source was at the time of disclosure to the Receiving Party bound by a confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party which was breached by the disclosure; (c) has been or is hereafter independently acquired or developed by the Receiving Party without reference to such Confidential Information and without otherwise violating any confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party; (d) was in the possession of the Receiving Party at the time of disclosure by the Disclosing Party without restriction as to confidentiality; or (e) is requested or required to be disclosed to a regulatory authority, provided that the Receiving Party promptly notifies, to the extent practicable, the Disclosing Party in writing of such request or demand for disclosure so that the Disclosing Party, at its sole expense, may seek to make such disclosure subject to an appropriate remedy to preserve the confidentiality of the Confidential Information.

12. TERM AND TERMINATION

12.1 Agreement Term. This Agreement shall commence on the Effective Date and continue until terminated in accordance with Section 12.4 ("Agreement Term").

12.2 Commercialization Project Term. Unless terminated in accordance with Section 12.4, the term of each Commercialization Project for a particular Commercialization Project Product ("Commercialization Project Term") shall commence on the later of the Effective Date or approval of the Development Plan by the Management Committee, and expire at the earlier of: (a) two years from the approval of the Development Plan by the Management Committee, unless extended by mutual agreement of the Parties; (b) Commercial Approval for such Commercialization Project; and (c) termination of the Development Plan by the Management Committee. Unless otherwise agreed by the Parties in writing, termination or expiry of a Commercialization Project Term for a specific Commercialization Project shall not affect the Commercialization Project Term of other Commercialization Projects.

12.3 Development Term. Unless terminated in accordance with Section 12.4, the term of development ("Development Term") for each Developed Product shall commence on the later of the Effective Date or approval of the Development Plan by the Management Committee, and expire at the earlier of: (a) two years from the approval of the Development Plan by the Management Committee, unless extended by mutual agreement of the Parties; (b) Commercial Approval for such Developed Product; and (c) termination of the Development Plan by the Management Committee. Unless otherwise agreed by the Parties in writing, termination or expiry of a Development Term for a Developed Product shall not affect the Development Term of other Developed Products.

12.4 Termination of Agreement Term, Commercialization Project Term or Development Term. The Agreement Term shall last two (2) years from the Effective Date, and shall automatically extend to accommodate any active Development Plan(s) and terminate upon termination or expiry of such Development Plan(s). At any time, for any reason whatsoever, the

Agreement Term, Commercialization Project Term for a Commercialization Product or any Development Term for a Developed Product may be extended or terminated upon the Parties' mutual written agreement. Termination or expiry of a Commercialization Project Term or a Development Term shall not affect the Agreement Term. Unless otherwise agreed to by the Parties, termination of the Agreement Term in accordance with this Section shall automatically terminate the Development Term of all Developed Products and the Commercialization Project Term for all Commercialization Projects.

12.5 Survival. Sections 4.2, 4.3, 4.4, 6, 9, 10.1, 10.2, 10.3, 10.4, 11, 12.5, 14 and 15 shall survive the termination of the Agreement Term.

13. REPRESENTATIONS AND WARRANTIES

13.1 Each Party represents and warrants to the other Party that:

(a) Corporate Existence and Power. It has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its formation and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated by this Agreement.

(b) Authorization and Enforceability. The execution and delivery of this Agreement by it and the carrying out by it of the transactions contemplated hereby have been duly authorized by all requisite corporate action, and this Agreement has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of it, enforceable against it in accordance with the terms of this Agreement, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity.

(c) No Conflict. It is not a party to any agreement or commitment, including applicable privacy policies, that would prevent it from granting the rights granted or intended to be granted to the other Party under this Agreement or performing its obligations under this Agreement.]

14. INDEMNIFICATION

14.1 Indemnification by MSSG. MSSG shall fully indemnify and hold harmless SPWR and its Affiliates and their respective directors, officers, employees and agents (the "SPWR Indemnified Parties") from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) and expenses (collectively, "Damages") incurred by any such SPWR Indemnified Party based on any third party claim arising out of or relating to (a) MSSG's breach of this Agreement, or (b) the gross negligence or willful misconduct of any of the MSSG Indemnified Parties (as defined in Section 14.2), except to the extent directly or indirectly caused by any act or omission of SPWR Indemnified Parties.

14.2 Indemnification by SPWR. SPWR shall fully indemnify and hold harmless MSSG and its Affiliates and their respective directors, officers, employees and agents (the "SpinCo Indemnified Parties") from and against any and all Damages incurred by any such SPWR Indemnified Party based on any third party claim arising out of or relating to (a) SPWR's breach of this Agreement, or (b) the gross negligence or willful misconduct of any of the SPWR Indemnified Parties, except to the extent directly or indirectly caused by any act or omission of SpinCo Indemnified Parties.

14.3 Indemnity Procedures. Any indemnified Party submitting an indemnity claim under Section 14.1 or 14.2, as applicable ("Indemnified Party"), shall: (a) promptly notify the indemnifying Party under Section 14.1 or 14.2, as applicable ("Indemnifying Party"), of such claim in writing and furnish the Indemnifying Party with a copy of each communication, notice or other action relating to the event for which indemnity is sought; provided that no failure to provide such notice pursuant to this Section shall relieve the Indemnifying Party of its indemnification obligations, except to the extent such failure materially prejudices the Indemnifying Party's ability to defend or settle the claim; (b) give the Indemnifying Party the authority, information and assistance necessary to defend or settle such suit or proceeding in such a manner as the Indemnifying Party shall determine; and (c) give the Indemnifying Party sole control of the defense (including the right to select counsel, at the Indemnifying Party's expense) and the sole right to compromise and settle such suit or proceeding; provided that, in the case of Sections (b) or (c), the Indemnifying Party shall not, without the written consent of the Indemnified Party, compromise or settle any suit or proceeding unless such compromise or settlement (i) is solely for monetary damages (for which the Indemnifying Party shall be responsible), (ii) does not impose injunctive or other equitable relief against the Indemnified Party and (iii) includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding. Notwithstanding anything in this Section 14.3, with respect to any claim covered by Section 14.1 or 14.2, as applicable, the Indemnified Party (in its capacity as such) may participate in the defense at its own expense.

14.4 Consequential Damages. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THIS AGREEMENT, EXCEPT IN CONNECTION WITH A BREACH OF SECTION 11, IT BEING UNDERSTOOD THAT A PARTY'S BREACH OF ITS INDEMNITY OBLIGATIONS HEREUNDER SHALL BE DIRECT DAMAGES REGARDLESS OF WHETHER THE DAMAGES CLAIM FOR WHICH INDEMNITY IS SOUGHT IS CHARACTERIZED AS SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL

15. MISCELLANEOUS

15.1 Governing Law. This Collaboration Agreement shall be governed by the laws of Singapore, without regard to rules of conflicts of laws.

15.2 Dispute Resolution. The Parties shall seek to settle any dispute, controversy or claim arising from or in connection with this Collaboration Agreement or the transaction documents through good faith negotiation. If within thirty (30) days after one Party notifies the other Party of any dispute in writing, the Parties fail to resolve such dispute through good faith

negotiation, such dispute shall be settled through arbitration by the Singapore International Arbitration Centre (SIAC) under its latest version of rules of arbitration in force when the arbitration is initiated. The arbitration award shall be final and binding on the Parties. The place of arbitration shall be Singapore. The arbitration proceedings shall be conducted in English by a panel of three arbitrators who are fluent in the English language. Each party will have the authority to nominate one arbitrator in accordance with SIAC rules. Following confirmation of the two party-nominated arbitrators, they shall select a third neutral arbitrator to serve as the presiding arbitrator in accordance with SIAC rules.

15.3 Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign this Agreement to an Affiliate or to an acquirer or successor in interest in connection with a Change of Control of such Party without the prior written consent of the other Party, provided that such Party provides the other Party with written notice of any such assignment. “Change of Control” means the closing of (a) a merger, consolidation or similar transaction providing for the acquisition of the direct or indirect ownership of more than fifty percent (50%) of a Party’s shares or similar equity interests or voting power of the outstanding voting securities or that represents the power to direct the management and policies of such Party, or (b) the sale of all or substantially all of a Party’s assets.

15.4 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

[*Signature page follows*]

The Parties hereby execute this Agreement as of the Effective Date.

SunPower Corporation

By: _____
Name:
Title:

Maxeon Solar Pte. Ltd.

By: _____
Name:
Title:

Exhibit 8.1

Subsidiaries of the Registrant

NAME	JURISDICTION OF ORGANIZATION
SunPower Philippines Manufacturing Ltd.	Cayman Islands
SunPower Malaysia Manufacturing Sdn. Bhd.	Malaysia
SunPower Systems Sarl	Switzerland
SunPower Systems International Limited	Hong Kong
SunPower Bermuda Holdings	Bermuda
SunPower Technology Ltd.	Bermuda
Maxeon Rooster Holdco, Ltd.	Bermuda
Maxeon Solar Pte. Ltd.	Singapore
SunPower Energy Solutions France SAS	France

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption “Statement by Experts” and to the use of our report dated May 11, 2020 in the Registration Statement on Form 20-F of Maxeon Solar Technologies, Pte. Ltd.

/s/ Ernst & Young LLP

San Jose, California
July 2, 2020