



TerraForm Power, Inc.

Positive Work Environment Policy

July 2018

<u>TABLE OF CONTENTS</u>	<u>Page</u>
APPLICATION OF THE POLICY.....	2
COMMITMENT TO A POSITIVE WORK ENVIRONMENT.....	2
ZERO TOLERANCE FOR WORKPLACE VIOLENCE, DISCRIMINATION, HARASSMENT, AND BULLYING ...	3
PERSONNEL AND SUPERVISOR/MANAGER RESPONSIBILITIES.....	6
REPORTING INCIDENTS AND COMPLIANTS.....	6
RESPONDING TO REPORTED INCIDENTS AND COMPLAINTS.....	7
ENFORCEMENT AND CORRECTIVE ACTION	8
CHANGES TO THIS POLICY.....	8
<u>APPENDIX A - Contact Information.....</u>	9
<u>APPENDIX B - Workplace Violence and Risk Assessment Program (Canada & Spain).....</u>	11
<u>APPENDIX C - Protected Characteristics - California</u>	13

APPLICATION OF THE POLICY

This Positive Work Environment Policy (this “Policy”) applies to all directors, officers and employees (collectively, “you” or “personnel”) of TerraForm Power, Inc. and all of its controlled subsidiaries (Collectively, “TERP”, “we”, “us”, “our” or the “Organization”). All personnel are required to comply with applicable laws and regulations and the personal behavior and positive work environment rules set out in the Organization’s Code of Business Conduct. This Policy supplements those provisions and is intended to raise awareness of our approach to fostering a positive work environment among our personnel. In the event that a local law, rule or regulation (collectively, “Local Laws”) in a jurisdiction in which we conduct business is more restrictive than this Policy, or where this Policy is inconsistent with Local Laws, the Local Laws will apply. For further guidance, please refer to any country-specific appendices attached to this Policy which are applicable to you.

This Policy sets out the standards to which our business associates, partners, agents, contractors, third-party service providers, and consultants (“Third Parties”) must adhere when doing business with the Organization and interacting with our personnel. For the purpose of this Policy, an “agent”, “contractor”, “third party service provider” or “consultant” means an individual or entity, including a subcontractor, that provides and receives payments for services or goods related to any aspect of the Organization’s business.

For the purpose of this Policy, “work environment” or “workplace” means the Organization’s places of business, business-related electronic communications, and outside the Organization’s places of business when conducting the Organization’s business (for example, when dealing with Third Parties or other work-related contacts, and on work-related trips or events, including social events) or where otherwise strongly related to the Organization, including its personnel.

COMMITMENT TO A POSITIVE WORK ENVIRONMENT

The Organization highly values honesty, equity, respect and dignity, and is committed to providing a positive, open and inclusive work environment that applies and embodies those values. All personnel should feel that they can participate fully in the success of the business and be recognized for their contribution. All personnel have a personal responsibility to their colleagues and the Organization to take an active role in creating and maintaining such a positive work environment. In order to achieve this goal, we’ve established this Policy which relies on everyone in our workplace not only to refrain from bad behavior, but also to identify and report workplace violence, discrimination, harassment and bullying.

If you experience or become aware of what you believe to be violence, discrimination, harassment or bullying in the workplace, as defined in this Policy, you are expected to report it either to your supervisor, Human Resources, the Organization’s internal legal counsel or to our Ethics Reporting Line. If you or someone you know at the Organization is in immediate danger of serious bodily harm, first call local law enforcement authorities and then report the incident following the process explained herein.

Complaints of violence, discrimination, harassment and bullying will be taken seriously and investigated. If you are found to be acting or threatening to act violently towards, discriminating against, harassing or bullying any individual at the Organization, or if you knowingly condone the violence towards, discrimination of or the harassment or bullying of another individual, you will face corrective action up to and including termination without notice and for cause.

A culture of reporting when it comes to workplace violence, discrimination, harassment and bullying is essential for us as an Organization to maintain a safe and respectful workplace. While we reserve the right to take corrective action if you knowingly make a false accusation about an innocent party, you will not face retaliation for making a good faith report or assisting in the investigation of a complaint.

ZERO TOLERANCE FOR WORKPLACE VIOLENCE, DISCRIMINATION, HARASSMENT, AND BULLYING

The Organization strictly prohibits and has zero tolerance for workplace violence, discrimination, harassment, and bullying. This Policy outlines our commitment to providing a workplace free of violence, discrimination, harassment and bullying. It includes definitions of violence, discrimination, harassment and bullying and summarizes the responsibilities of employees to understand: (i) what constitutes workplace violence, discrimination, harassment and bullying, respectively; (ii) their obligations to create an environment where these behaviors are not tolerated; and (iii) how to report incidents following proper procedures. If you contravene this Policy, you will face serious disciplinary action up to and including the termination of your employment or business relationship with the Organization.

Workplace Violence means an action (verbal, written or physical) which is intended to cause, is capable of causing, or could reasonably be interpreted as a threat to cause death or bodily injury to oneself or others, or property damage. Workplace violence includes, but is not limited to, the following behavior:

- The use of physical force against or by personnel that causes or could cause physical injury. This includes, but is not limited to, physical acts such as punching, hitting, kicking, pushing, damaging property or throwing objects;
- The attempted use of physical force against or by personnel that could have caused physical injury; and
- An action, statement or behavior (or series of actions, statements, or behavior) reasonably believed to be a threat of physical harm or a threat to safety or security in the workplace. This can include:
 - Bringing or threatening to bring a weapon of any kind into the workplace.
 - The potential for domestic violence to have an impact on the workplace.¹

Where required by Local Law, risk assessments regarding workplace violence will be conducted in accordance with the process outlined in Appendix “B”.

Workplace Discrimination means the differential treatment of an individual or group, such as the denial of opportunity. Discrimination can occur based on any characteristic protected by applicable law, including, without limitation²:

- Race
- Color
- Gender (including pregnancy) or gender identity
- National or ethnic origin
- Ancestry or genetic information
- Religion or beliefs

¹ Domestic violence is an act of violence committed against an individual by that individual’s spouse or family member. If you become aware that domestic violence may occur in the workplace, you must report your concern using this Policy.

² In accordance with Local Law, Appendix “C” outlines the specific characteristics protected under the laws of California, United States of America.

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- Age
 - Physical or mental disability
 - Sexual orientation
 - Marital or family status
 - Veteran status or information
 - Or any other status protected by applicable laws

In some circumstances, discrimination may be unintentional. Regardless of intent, such conduct is not acceptable, violates this Policy and may also constitute a violation of applicable law.

Workplace Harassment means conduct which a reasonable person ought to know is unwelcome and includes conduct (*e.g.*, comments and actions) which would be perceived by a reasonable person as being hostile, humiliating or abusive or cause him or her torment. It may be targeted at a person or group of people because of a personal dislike or personality conflict, and not solely because of race, religion, color, sexual orientation, or any other prohibited grounds.

Harassment may be expressed through offensive verbal, written or physical conduct that singles out a person to the detriment or objection of that person.

Workplace harassment includes sexual harassment, teasing, offensive jokes or innuendos, displaying or circulating offensive pictures or materials, offensive or intimidating conversations, making fun of or defaming a member of a particular religion, race, gender, etc. or similar forms of behavior.

Workplace harassment does not include reasonable actions taken by the Organization relating to the management and direction of personnel or the workplace. Indeed, workplace harassment is not to be confused with the normal exercise of the Organization's rights with respect to its personnel, in particular its right to assign tasks, do a follow-up and/or monitor the work of personnel whose output is unsatisfactory, conduct performance reviews and appraisals, reprimand or impose disciplinary sanctions, and/or investigate alleged misconduct. Insofar as the Organization does not exercise these rights in an arbitrary, abusive or discriminatory manner, or outside the normal conditions of employment, the Organization's actions and those of its personnel do not constitute workplace harassment. Workplace harassment does not include differences of opinion or minor disagreements amongst personnel.

In some circumstances, harassment may be unintentional. Regardless of intent, such conduct is not acceptable, violates this Policy and may also constitute a violation of applicable law.

For clarity, the following are two specific types of workplace harassment included under this Policy:

i) Sexual Harassment

Sexual harassment is unwelcome sexual behavior (physical, verbal or written) which could reasonably be expected to make a person feel offended, humiliated, or intimidated and includes:

- Engaging in a course of intimidating, derogatory, hostile, humiliating or abusive behavior against a person in the workplace because of sex, sexual orientation, gender identity or gender expression;
- Making a sexual solicitation of or advance toward a member of our personnel where: the person making the solicitation or advance is in a position to confer, grant or deny a benefit or advancement

to the member of our personnel and the person making the solicitation or advance knows or ought reasonably to have known that the solicitation or advance is unwelcome;

- The display or circulation of sexually suggestive or explicit visual or printed material;
- Continuing to ask an employee to socialize on or off duty when that person has indicated an unwillingness to do so; or
- Off-duty conduct which falls within the above definition and affects the work environment.

Sexual harassment, by definition, is coercive and one-sided, and persons of any gender can be victims of it.

ii) Psychological Harassment

Psychological harassment includes hostile, humiliating or abusive behavior that manifests itself in the form of conduct, verbal comments, actions or gestures characterized by the following four criteria:

- Repetitive;
- Hostile or unwanted;
- Affects the person’s dignity or psychological integrity; and
- Results in a harmful work environment.

Psychological harassment may come from a superior, colleague, a group of colleagues, a client or a supplier. A single serious incident of such behavior may also constitute psychological harassment if it undermines the person’s dignity or psychological or physical integrity and if it has a lasting harmful effect.

In some circumstances, harassment may be unintentional. Regardless of intent, such conduct is not acceptable, violates this Policy and may also constitute a violation of applicable law.

Workplace Bullying means repeated, malicious, unwelcome, severe or pervasive verbal, written, physical or non-verbal mistreatment that a reasonable person would consider harmful, intimidating, offensive, degrading or humiliating to one or more individual(s) in the workplace. A bully need not be in a position of authority and, unlike discrimination, the bullying conduct need not relate to the targeted individual’s status as a member of a legally protected group. Bullying is characterized by willfully targeting another person or persons, and socially degrading the person(s), or engaging in similar behavior, that causes or reasonably ought to be expected to cause another person to develop deep seated fears and/or adverse health effects that would affect a reasonable person’s ability to function normally.

Bullying may include, by way of example:

- Physical or psychological threats;
- Exclusion or social isolation, or the encouragement of others to turn against the targeted person;
- Unreasonable interference with a person’s ability to do his or her work; or
- Personal attacks.

PERSONNEL AND SUPERVISOR/MANAGER RESPONSIBILITIES

This policy extends to each and every level of TerraForm Power’s operations. Accordingly, all personnel must:

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- Comply with all applicable labor and employment laws, and the requirements of this Policy;
 - Behave in a manner consistent with creating a positive work environment and maintain positive interactions at work;
 - Report incidents of workplace violence, discrimination, harassment and bullying either experienced directly or witnessed;
 - Contact the appropriate public emergency authority in case of an extreme or imminent threat of physical harm to themselves or any person at the workplace;
 - Participate and cooperate fully in any investigation of violations or possible violations of this Policy; and
 - Understand and follow Organizational procedures to prevent violence, discrimination, harassment and bullying, including addressing it as soon as you are aware.

In addition, all supervisors and managers (i.e., personnel to whom other personnel report) must:

- Apply this Policy and ensure compliance with all applicable labor and employment laws within his or her group or department;
- Manage interpersonal conflicts within the team before they escalate;
- Respond to all reported complaints or incidents in a professional manner appropriate for the circumstances;
- Strive to create a positive work environment in which employees feel comfortable reporting incidents and raising concerns or questions about the Organization’s policies;
- Encourage personnel to report incidents or complaints of workplace violence, discrimination, harassment, or escalate all complaints to Human Resources (even those about his/her own behavior); and
- Participate and cooperate in any workplace violence, discrimination, harassment or bullying investigation if required by the circumstances of the investigation.

The senior executives of the Organization are responsible for taking reasonable measures to:

- Establish a “tone from the top” reflective of a positive work environment;
- Protect personnel from workplace violence, discrimination, harassment and bullying;
- Promote a work environment where personnel are comfortable reporting violations;
- Implement a program where complaints are dealt with in a timely manner, as required; and
- Provide training as deemed appropriate or where required by law.

REPORTING INCIDENTS AND COMPLAINTS

Internal reporting is important to the Organization and it is both expected and valued. If you experience or witness behavior that you believe may violate this Policy, you are encouraged to promptly report it.

Reports should in the first instance be made to your immediate supervisor, to the manager of your immediate supervisor or to any other member of management with whom you feel comfortable. Members of management will ensure that the information is properly handled and escalated as necessary. In the event that this does not appear to be an appropriate avenue for reporting because of the nature or the content of the report, or otherwise, reports should be made to Human Resources or Legal as set forth in Appendix “A”. If you are not comfortable reporting an incident to any of the specified authorities, you can always contact our Ethics Reporting Line. The Ethics Reporting Line is managed by an independent

third party called The Network, a NAVEX Global Company, and allows for anonymous reporting in English and other languages. The Ethics Reporting Line is available toll-free, 24 hours per day, 7 days per week. Anonymous reports can also be made online using our Ethics Reporting Website, which is also managed by The Network, and is offered 24 hours per day, 7 days per week in the same languages as the telephone line. Please see Appendix “A” for the contact details of these ethics reporting channels.

The Organization will not tolerate reprisal or retaliation against anyone who has made a complaint or report based on the reasonable good faith belief that a violation of this Policy has occurred or may occur in the future, has provided information concerning an incident or complaint, or has cooperated honestly and completely with an investigation regarding a violation or possible violation of this Policy. Any such person will be protected from any form of reprisal or retaliation. No documentation whatsoever will be placed in the personnel file of anyone who has made a complaint or report in good faith, whether the claim is upheld or not. A reprisal or retaliation can include a demotion, an unwanted transfer and a denial of opportunities within the Organization. Any person who believes that they have been reprimed or retaliated against should immediately contact Human Resources, the Organization’s internal legal counsel or the Ethics Reporting Line.

Personnel who engage in reprisals or threats of reprisals, or who knowingly make a false complaint or otherwise abuse this Policy, may be disciplined up to and including immediate termination of employment for cause and without notice and, if warranted, legal proceedings may be undertaken. Such discipline is not a reprisal or breach of this Policy.

RESPONDING TO REPORTED INCIDENTS AND COMPLAINTS

Handling of Incidents and Complaints

The Organization takes all complaints and incidents of workplace violence, discrimination, harassment and bullying seriously. Incidents or threats of workplace violence may be reported to law enforcement, as appropriate.

Every report of workplace violence, discrimination, harassment or bullying will be assessed and, where appropriate or as required by law, an investigation, including discussions with all applicable parties, will be undertaken. Complaints or incidents of workplace violence, discrimination, harassment or bullying will be investigated by Human Resources, with involvement of the internal legal department of the Organization, if appropriate. In some circumstances, the Organization may retain an independent third party to conduct the investigation, at its discretion. Confidentiality and privacy will be maintained where possible, subject to the need to conduct a full, fair and respectful investigation and to ensure the safety of personnel and subject to applicable law. Furthermore, we will endeavor to ensure that any personal information that may be included in reports of workplace violence, discrimination, harassment or bullying is treated sensitively; however, we may disclose such information if we believe in good faith that such action is necessary or to otherwise comply with applicable law. It is expected that anyone participating in an investigation keep that fact and any details discussed during the investigation confidential. A breach of this requirement for confidentiality will be dealt with and may lead to serious consequences, up to and including termination of employment.

When an investigation has taken place, if appropriate and as required by law, the complainant and respondent will be informed of the results of the investigation and any corrective action that has been or

will be taken as a result of the investigation. In such cases, the results of the investigation will be provided within a reasonable period of time after completion of the investigation.

Where the circumstances of an investigation warrant it or where required by law, Human Resources, with involvement of the internal legal department of the Organization, if appropriate in the circumstances, will prepare a confidential report stating findings, sanctions or disciplinary actions and recommendations to prevent reoccurrence of incidents of workplace violence, discrimination, harassment and/or bullying. Any records related to the investigation will be kept in accordance with internal Organizational policies and with applicable laws.

Precautions During Investigations

The Organization will also take every precaution reasonable to protect the involved personnel during the investigation, including but not limited to moving involved personnel to different locations, floors or offices during the investigation. Precautionary measures, if warranted, may be in place until an ultimate determination is made related to the investigation, and if required, corrective actions are applied.

Workplace Violence, Discrimination, Harassment or Bullying Involving a Third Party

If an incident of workplace violence, discrimination, harassment or bullying involves a Third Party in the workplace (e.g. client, contractor, visitor, etc.), the above process will apply. Where deemed appropriate, the Organization will report the incident to that person's employer and any other parties which the Organization believes it is appropriate to report to under the circumstances. The Organization will take reasonable steps, including removing the individual from its property and/or involving law enforcement, as appropriate, to ensure the safety and protection of all personnel and the workplace.

ENFORCEMENT AND CORRECTIVE ACTION

The Organization will take corrective action with respect to any personnel found to have breached this Policy, in a manner that is fair, consistent and that reflects the nature and facts of the violation. Anyone subject to this Policy who violates it may face corrective action. Corrective action may include counselling, training, a written warning, transfer, demotion, reductions in short-term or long-term compensation, suspension with or without pay, or termination of employment or the business relationship without notice. The incident will, if substantiated, be documented in the offending person's file.

If the Organization discovers a violation of any labor, employment or other applicable laws, we may refer the matter to the appropriate authorities, which could lead to penalties, fines, imprisonment or other liability.

This Policy does not limit the Organization's authority or ability to discipline or take other action for workplace conduct that is found to be inappropriate, regardless of whether that conduct meets the definition of workplace violence, discrimination, harassment or bullying as set out in this Policy.

CHANGES TO THIS POLICY

This Policy has been prepared under the supervision of the Organization's Vice President, Human Resources and the General Counsel. Any further revisions of this Policy will be approved by the CEO of TERP.

APPENDIX A
CONTACT INFORMATION

HUMAN RESOURCES

Donna Verdisco 1-646-992-2424 dverdisco@terraform.com

LEGAL

Will Fyfe 1-646-992-2505 wfyfe@terraform.com

ETHICS REPORTING CHANNELS

United States 1-844-599-8784

Canada 1-844-599-8784

Chile

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

Chile (Telmex - 800) 800-225-288

Chile (Telefonica) 800-800-288

Chile (ENTEL) 800-360-311

Chile (ENTEL - Spanish Operator) 800-360-312

Chile (Easter Island) 800-800-311

Chile (Easter Island - Spanish Operator) 800-800-312

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

United Kingdom

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

Spain

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

Portugal

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

Uruguay

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

Ethics Reporting Website

The Network, a NAVEX Global Company:

www.terraformpower.ethicspoint.com

APPENDIX B
WORKPLACE VIOLENCE AND RISK ASSESSMENT PROGRAM
CANADA AND SPAIN

The Organization, in conjunction with any required internal or external advisors and the Organization's HSSE Steering Committee ("HSSE Committee") (or comparable committee or representative) will conduct an assessment to identify relevant workplace violence risk factors. The Organization will identify all factors that contribute to workplace violence by taking into account, at minimum, the following:

- the location and circumstances in which the work activities take place;
- the personnel reports of workplace violence or the risk of workplace violence;
- the Organization's experience in dealing with those factors and with workplace violence;
- the experience of employers in dealing with those factors and with violence in similar workplaces;
- the employer's investigation of workplace violence or the risk of workplace violence; and
- the measures that are already in place to prevent and protect against workplace violence.

The Organization will assess the potential for workplace violence by taking into account the nature of the working activities; the working conditions; the design of the work activities and surrounding environment; the frequency of situations that present a risk of workplace violence; the severity of the adverse consequences to the personnel exposed to a risk of workplace violence; the observations and recommendations of the HSSE Committee (or comparable committee or representative); and the measures that are already in place in order to prevent and protect against workplace violence. This assessment will be considered in the Organization's general risk assessment.

When new risks are detected, the Organization in consultation with the HSSE Committee (or comparable committee or representative) will include the corrective actions in the Organization's preventative planning, based on the magnitude and number of personnel exposed.

This program will be reviewed annually by the Company in consultation with the HSSE Committee (or comparable committee or representative), or as otherwise as required.

The Organization will also ensure that all personnel understand what to do if they experience or witness workplace violence. The following summarizes the primary actions:

In the event that personnel experience or witness workplace violence, the following summarizes the primary actions he/she should undertake:

i) Seek Out Safe Location

If there is an immediate concern for safety, any persons subjected to or witnessing workplace violence should, where appropriate, seek out a safe location for themselves at the workplace.

ii) Report Incident to Police Immediately When There is an Immediate Concern for Physical Safety (using local emergency procedures)

If the workplace violence incident is acute or where it is deemed appropriate to do so, the Police should be summoned by management, Human Resources or any personnel who is witness to or is experiencing acute workplace violence. Management and/or Human Resources may also report the incident to Police.

iii) Notify Your Supervisor and/or Human Resources Immediately

Personnel must take all incidents of workplace violence, including threats, seriously, and are required to report all incidents of workplace violence of which they are aware. Personnel must also report a threat they believe might be carried out against personnel in the workplace by an outside source. Personnel who witness or experience workplace violence are required to inform Human Resources as soon as reasonably possible following an incident.

When determined necessary, personnel will receive the adequate training to prevent and detect relevant workplace risk factors, and to understand what to do if they experience or witness workplace violence.

APPENDIX C
PROTECTED CHARACTERISTICS
CALIFORNIA

The following specific protections are available under California law:

- Race
- Color
- Sex (including pregnancy, childbirth, breastfeeding or medical conditions related to pregnancy, childbirth or breastfeeding)
- Gender (including gender identity and gender expression)
- Marital status
- National origin
- Ancestry
- Religious Creed
- Age
- Physical disability
- Mental disability
- Medical condition
- Genetic information
- Sexual orientation
- Military or veteran status