

Sunrun Inc.  
Form DEF 14A  
April 13, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant      Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-2  
SUNRUN INC.

(Name of Registrant as Specified In Its Charter)

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(3) Filing Party:

(4) Date Filed:

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SUNRUN INC.

595 Market Street, 29<sup>th</sup> Floor

San Francisco, California 94105

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 8:00 a.m. Pacific Time on Friday, May 26, 2017

Dear Stockholders of Sunrun Inc.:

We cordially invite you to attend the 2017 annual meeting of stockholders (the “Annual Meeting”) of Sunrun Inc., a Delaware corporation, which will be held on Friday, May 26, 2017 at 8:00 a.m. Pacific Time, in person at 595 Market Street, 29<sup>th</sup> Floor, San Francisco, California 94105, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect three Class II directors to serve until the 2020 annual meeting of stockholders and until their successors are duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our board of directors has fixed the close of business on March 30, 2017 as the record date for the Annual Meeting. Only stockholders of record on March 30, 2017 are entitled to notice of and to vote at the Annual Meeting. Further information regarding voting rights and the matters to be voted upon is presented in the accompanying proxy statement.

On or about April 13, 2017, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access our proxy statement and our annual report. The Notice provides instructions on how to vote via the Internet or by telephone and includes instructions on how to receive a paper copy of our proxy materials by mail. The accompanying proxy statement and our annual report can be accessed directly at the following Internet address: [www.voteproxy.com](http://www.voteproxy.com). All you have to do is enter the control number located on your Notice or proxy card.

**YOUR VOTE IS IMPORTANT.** Whether or not you plan to attend the Annual Meeting, we urge you to submit your vote via the Internet, telephone or mail.

We appreciate your continued support of Sunrun.

By order of the Board of Directors,

Lynn Jurich  
Chief Executive Officer

San Francisco, California  
April 13, 2017

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TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT FOR 2017 ANNUAL MEETING OF STOCKHOLDERS</u>	1
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	6
<u>Nominees for Director</u>	6
<u>Continuing Directors</u>	7
<u>Director Independence</u>	7
<u>Board Leadership Structure and Independent Director</u>	8
<u>Board Meetings and Committees</u>	8
<u>Compensation Committee Interlocks and Insider Participation</u>	10
<u>Considerations in Evaluating Director Nominees</u>	10
<u>Stockholder Recommendations for Nominations to the Board of Directors</u>	10
<u>Communications with the Board of Directors</u>	10
<u>Corporate Governance Guidelines and Code of Business Conduct and Ethics</u>	11
<u>Risk Management</u>	11
<u>Director Compensation</u>	11
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	13
<u>PROPOSAL NO. 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	14
<u>Fees Paid to the Independent Registered Public Accounting Firm</u>	14
<u>Auditor Independence</u>	14
<u>Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm</u>	14
<u>REPORT OF THE AUDIT COMMITTEE</u>	16
<u>EXECUTIVE OFFICERS</u>	17
<u>EXECUTIVE COMPENSATION</u>	18
<u>Processes and Procedures for Compensation Decisions</u>	18
<u>Fiscal 2016 Summary Compensation Table</u>	18
<u>Executive Employment Agreements</u>	19
<u>Outstanding Equity Awards at Fiscal Year-End</u>	20
<u>Potential Payments upon Termination or Change of Control</u>	21
<u>Compensation Committee Report</u>	21
<u>Equity Compensation Plan Information</u>	22
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	23
<u>RELATED PERSON TRANSACTIONS</u>	26
<u>Policies and Procedures for Related Party Transactions</u>	26
<u>OTHER MATTERS</u>	27
<u>Section 16(A) Beneficial Ownership Reporting Compliance</u>	27
<u>Fiscal Year 2016 Annual Report and SEC Filings</u>	27



SUNRUN INC.

PROXY STATEMENT

FOR 2017 ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 8:00 a.m. Pacific Time on Friday, May 26, 2017

This proxy statement and the enclosed form of proxy are furnished in connection with the solicitation of proxies by our board of directors for use at the 2017 annual meeting of stockholders of Sunrun Inc., a Delaware corporation, and any postponements, adjournments or continuations thereof (the "Annual Meeting"). The Annual Meeting will be held on Friday, May 26, 2017 at 8:00 a.m. Pacific Time, at 595 Market Street, 29<sup>th</sup> Floor, San Francisco, CA 94105. The Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access this proxy statement and our annual report is first being mailed on or about April 13, 2017 to all stockholders entitled to vote at the Annual Meeting.

The information provided in the "question and answer" format below is for your convenience only and is merely a summary of the information contained in this proxy statement. You should read this entire proxy statement carefully. Information contained on, or that can be accessed through, our website is not intended to be incorporated by reference into this proxy statement and references to our website address in this proxy statement are inactive textual references only.

What matters am I voting on?

You will be voting on:

- the election of three Class II directors to serve until our 2020 annual meeting of stockholders and until their successors are duly elected and qualified;
- a proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017; and
- any other business as may properly come before the Annual Meeting.

How does the board of directors recommend I vote on these proposals?

Our board of directors recommends a vote:

- "FOR" the election of Edward Fenster, Richard Wong and Leslie Dach as Class II directors; and
- "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017.

Who is entitled to vote?

Holders of our common stock as of the close of business on March 30, 2017, the record date for the Annual Meeting, may vote at the Annual Meeting. As of the record date, there were 104,643,271 shares of our common stock outstanding. In deciding all matters at the Annual Meeting, each stockholder will be entitled to one vote for each share of our common stock held by them on the record date. Stockholders are not permitted to cumulate votes with respect to the election of directors.

Registered Stockholders. If shares of our common stock are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to those shares and the Notice was provided to you directly by us. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on

the proxy card or vote in person at the Annual Meeting. Throughout this proxy statement, we refer to these registered stockholders as “stockholders of record.”

**Street Name Stockholders.** If shares of our common stock are held on your behalf in a brokerage account or by a bank or other nominee, you are considered to be the beneficial owner of shares that are held in “street name,” and the Notice was forwarded to you by your broker or nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee as to how to vote your shares. Beneficial owners are also invited to attend the Annual Meeting. However, since a beneficial owner is not the stockholder of record, you may not vote your shares of our common stock in person at the Annual Meeting unless you follow your broker’s procedures for obtaining a legal proxy. If you request a printed copy of our proxy materials by mail, your broker, bank or other nominee will provide a voting instruction form for you to use. Throughout this proxy statement, we refer to stockholders who hold their shares through a broker, bank or other nominee as “street name stockholders.”



How many votes are needed for approval of each proposal?

Proposal No. 1: The election of directors requires a plurality vote of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. "Plurality" means that the nominees who receive the largest number of votes cast "for" are elected as directors. As a result, any shares not voted "for" a particular nominee (whether as a result of stockholder abstention or a broker non-vote) will not be counted in such nominee's favor and will have no effect on the outcome of the election. You may vote "for" or "withhold" on each of the nominees for election as a director.

Proposal No. 2: The ratification of the appointment of Ernst & Young LLP requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. Abstentions are considered votes present and entitled to vote on this proposal, and thus, will have the same effect as a vote "against" the proposal. Broker non-votes will have no effect on the outcome of this proposal.

What is the quorum?

A quorum is the minimum number of shares required to be present at the Annual Meeting for the Annual Meeting to be properly held under our amended and restated bylaws and Delaware law. The presence, in person or by proxy, of a majority of all issued and outstanding shares of our common stock entitled to vote at the Annual Meeting will constitute a quorum at the Annual Meeting. Abstentions, withhold votes and broker non-votes are counted as shares present and entitled to vote for purposes of determining a quorum.

How do I vote?

If you are a stockholder of record, there are four ways to vote:

- by Internet at [www.voteproxy.com](http://www.voteproxy.com), 24 hours a day, seven days a week, until 11:59 p.m. Eastern Time on May 25, 2017 (have your Notice or proxy card in hand when you visit the website);
- by toll-free telephone at 1-800-776-9437 (have your Notice or proxy card in hand when you call);
- by completing and mailing your proxy card (if you received printed proxy materials); or
- by written ballot at the Annual Meeting.

Even if you plan to attend the Annual Meeting in person, we recommend that you also vote by proxy so that your vote will be counted if you later decide not to attend.

If you are a street name stockholder, you will receive voting instructions from your broker, bank or other nominee. You must follow the voting instructions provided by your broker, bank or other nominee in order to instruct your broker, bank or other nominee on how to vote your shares. Street name stockholders should generally be able to vote by returning an instruction card, or by telephone or on the Internet. However, the availability of telephone and Internet voting will depend on the voting process of your broker, bank or other nominee. As discussed above, if you are a street name stockholder, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker, bank or other nominee.

Can I change my vote?

Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

- entering a new vote by Internet or by telephone;
- completing and mailing a later-dated proxy card;
- notifying the Secretary of Sunrun Inc., in writing, at Sunrun Inc., 595 Market Street, 29<sup>th</sup> Floor, San Francisco, CA 94105; or
- completing a written ballot at the Annual Meeting.

If you are a street name stockholder, your broker, bank or other nominee can provide you with instructions on how to change your vote.

-2-

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What do I need to do to attend the Annual Meeting in person?

Space for the Annual Meeting is limited. Therefore, admission will be on a first-come, first-served basis. Registration will open at 7:30 a.m. Pacific Time and the Annual Meeting will begin at 8:00 a.m. Pacific Time. Each stockholder should be prepared to present:

• valid government photo identification, such as a driver's license or passport; and  
• if you are a street name stockholder, proof of beneficial ownership as of March 30, 2017, the record date, such as your most recent account statement reflecting your stock ownership prior to March 30, 2017, along with a copy of the voting instruction card provided by your broker, bank, trustee or other nominee or similar evidence of ownership. Use of cameras, recording devices, computers and other electronic devices, such as smart phones and tablets, will not be permitted at the Annual Meeting. Please allow ample time for check-in and parking.

What is the effect of giving a proxy?

Proxies are solicited by and on behalf of our board of directors. Lynn Jurich, Ed Fenster, Bob Komin and Mina Kim have been designated as proxy holders by our board of directors. When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our board of directors as described above. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote the shares. If the Annual Meeting is adjourned, the proxy holders can vote the shares on the new Annual Meeting date as well, unless you have properly revoked your proxy instructions, as described above.

Why did I receive a Notice of Internet Availability of Proxy Materials instead of a full set of proxy materials?

In accordance with the rules of the Securities and Exchange Commission ("SEC"), we have elected to furnish our proxy materials, including this proxy statement and our annual report, primarily via the Internet. The Notice containing instructions on how to access our proxy materials is first being mailed on or about April 13, 2017 to all stockholders entitled to vote at the Annual Meeting. Stockholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of our proxy materials on the Internet to help reduce the environmental impact of our annual meetings of stockholders.

How are proxies solicited for the Annual Meeting?

Our board of directors is soliciting proxies for use at the Annual Meeting. All expenses associated with this solicitation will be borne by us. We will reimburse brokers or other nominees for reasonable expenses that they incur in sending our proxy materials to you if a broker, bank or other nominee holds shares of our common stock on your behalf. In addition, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Our directors and employees will not be paid any additional compensation for soliciting proxies.

How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?

Brokerage firms and other intermediaries holding shares of our common stock in street name for their customers are generally required to vote such shares in the manner directed by their customers. In the absence of timely directions, your broker will have discretion to vote your shares on our sole "routine" matter: the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. Your broker will not have discretion to vote on the election of directors, which is a "non-routine" matter, absent direction from you.

Where can I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Current Report on Form 8-K that we will file with the SEC within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Current Report on Form 8-K within four business days after the Annual Meeting, we will file a Current Report on Form 8-K to publish preliminary results and will provide the final results in an amendment to the Current Report on Form 8-K as soon as they become available.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

We have adopted a procedure called “householding,” which the SEC has approved. Under this procedure, we deliver a single copy of the Notice and, if applicable, our proxy materials to multiple stockholders who share the same address unless we have received contrary instructions from one or more of the stockholders. This procedure reduces our printing costs, mailing costs, and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of the Notice and, if applicable, our proxy materials to any stockholder at a shared address to which we delivered a single copy of any of these materials. To receive a separate copy, or, if a stockholder is receiving multiple copies, to request that we only send a single copy of the Notice and, if applicable, our proxy materials, such stockholder may contact us at the following address:

Sunrun Inc.

Attention: Investor Relations

595 Market Street, 29<sup>th</sup> Floor

San Francisco, CA 94105

Tel: 415-510-4833

Street name stockholders may contact their broker, bank or other nominee to request information about householding.

What is the deadline to propose actions for consideration at next year’s annual meeting of stockholders or to nominate individuals to serve as directors?

#### Stockholder Proposals

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to our Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2018 annual meeting of stockholders, our Secretary must receive the written proposal at our principal executive offices not later than December 14, 2017. In addition, stockholder proposals must comply with the requirements of Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals should be addressed to:

Sunrun Inc.

Attention: Secretary

595 Market Street, 29<sup>th</sup> Floor

San Francisco, CA 94105

Our amended and restated bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our amended and restated bylaws provide that the only business that may be conducted at an annual meeting of stockholders is business that is (i) specified in our proxy materials with respect to such meeting, (ii) otherwise properly brought before such meeting by or at the direction of our board of directors, or (iii) properly

brought before such meeting by a stockholder of record entitled to vote at the annual meeting who has delivered timely written notice to our Secretary, which notice must contain the information specified in our amended and restated bylaws. To be timely for our 2018 annual meeting of stockholders, our Secretary must receive the written notice at our principal executive offices:

- not earlier than January 28, 2018; and
- not later than the close of business on February 27, 2018.

In the event that we hold our 2018 annual meeting of stockholders more than 30 days before or more than 60 days after the one-year anniversary of the Annual Meeting, notice of a stockholder proposal that is not intended to be included in our proxy statement must be received no earlier than the close of business on the 120th day before our 2018 annual meeting of stockholders and no later than the close of business on the later of the following two dates:

- the 90th day prior to our 2018 annual meeting of stockholders; or
- the 10th day following the day on which public announcement of the date of our 2018 annual meeting of stockholders is first made.

If a stockholder who has notified us of his, her or its intention to present a proposal at an annual meeting does not appear to present his, her or its proposal at such annual meeting, we are not required to present the proposal for a vote at such annual meeting.

#### Nomination of Director Candidates

You may propose director candidates for consideration by our nominating and corporate governance committee. Any such recommendations should include the nominee's name and qualifications for membership on our board of directors and should be directed to our Secretary at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see "Board of Directors and Corporate Governance—Stockholder Recommendations for Nominations to the Board of Directors."

In addition, our amended and restated bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must provide the information required by our amended and restated bylaws. In addition, the stockholder must give timely notice to our Secretary in accordance with our amended and restated bylaws, which, in general, require that the notice be received by our Secretary within the time periods described above under "Stockholder Proposals" for stockholder proposals that are not intended to be included in a proxy statement.

#### Availability of Bylaws

A copy of our amended and restated bylaws is available on our website at [www.sunrun.com](http://www.sunrun.com) under "Investors – Corporate Governance." You may also contact our Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

## BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business affairs are managed under the direction of our board of directors, which is currently composed of seven members. Five of our directors are independent within the meaning of the listing standards of The NASDAQ Stock Market. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring.

The following table sets forth the names, ages as of April 13, 2017, and certain other information for each of the directors with terms expiring at the Annual Meeting (who are also nominees for election as a director at the Annual Meeting) and for each of the continuing members of our board of directors:

	Class	Age	Position	Since	Expires	Expiration of Term Current For Which Director Term Nominated
Directors with Terms Expiring at the Annual Meeting/Nominees						
Edward Fenster	II	40	Director	2007	2017	2020
Richard Wong (1)(2)	II	47	Director	2009	2017	2020
Leslie Dach (2)	II	62	Director	2016	2017	2020
Continuing Directors						
Lynn Jurich	I	37	Chief Executive Officer and Director	2007	2019	—
Steven Vassallo (1)(3)	I	45	Director	2009	2019	—
Gerald Risk (3)	III	48	Director	2014	2018	—
Katherine August-deWilde (1)(3)	III	69	Director	2016	2018	—

(1) Member of our compensation committee

(2) Member of our nominating and corporate governance committee

(3) Member of our audit committee

Nominees for Director

Edward Fenster. Mr. Fenster is one of our co-founders and has served as our Chairman since March 2014 and as a member of our board of directors since inception. Mr. Fenster served as our Chief Executive Officer from June 2008 to October 2012, and our Co-Chief Executive Officer from October 2012 to March 2014. From May 2003 to June 2005, Mr. Fenster served as Director of Corporate Development at Asurion, LLC, a technology device protection and support company. From July 1999 to May 2003, Mr. Fenster worked at The Blackstone Group, a private equity



firm. Mr. Fenster holds a B.A. in Economics from Johns Hopkins University and an M.B.A. from the Stanford Graduate School of Business.

Mr. Fenster was selected to serve on our board of directors because of the perspective and experience he brings as one of our co-founders and as one of our largest stockholders.

Richard Wong. Mr. Wong has served as a member of our board of directors since July 2009. Since November 2006, Mr. Wong has served as a General Partner at Accel Partners, a venture capital firm. From 2001 to 2006, Mr. Wong served as Senior Vice President and General Manager of Products at Openwave Systems Inc., a software company. Mr. Wong currently serves on the boards of directors of Atlassian Corporation Plc, a software development tool company and a number of privately held companies. Mr. Wong holds a B.S. in Materials Science and Engineering and an M.S. in Management from the Massachusetts Institute of Technology.

Mr. Wong was selected to serve on our board of directors because of his extensive experience as an investor building emerging growth companies.

Leslie Dach. Mr. Dach has served as a member of our board of directors since May 2016. Mr. Dach brings more than 25 years of experience running major business and strategic initiatives across the public, private and civil sectors, including leading corporate affairs and sustainability at Walmart Stores Inc. from 2006 to 2013. Mr. Dach most recently served as senior counselor to the Secretary of the U.S. Department of Health & Human Services. While there, he worked closely with the HHS senior leadership team on strategic initiatives, from strengthening the Department's engagement with external partners to ensuring the success of the second and third Open Enrollment periods for the Health Insurance Marketplace. Prior to that, Mr. Dach served as executive vice president of

corporate affairs for Walmart and was a member of the company's executive council and executive finance committee. Mr. Dach has served on numerous boards including the Environmental Defense Fund, World Resources Institute, United Negro College Fund, the Yale University Council and the National Audubon Society. He previously served on our board of directors from June 2013 to July 2014. Mr. Dach holds a B.S. in Biology from Yale University and an M.P.A. from Harvard University.

Mr. Dach was selected to serve on our board of directors because of his extensive business experience in both the public and private sector and his prior experience with the Company.

#### Continuing Directors

Lynn Jurich. Ms. Jurich is one of our co-founders and has served as our Chief Executive Officer since March 2014 and as a member of our board of directors since inception. Ms. Jurich served as our Co-Chief Executive Officer from October 2012 to March 2014, our President from January 2009 to October 2012, and our Executive Vice President of Sales and Marketing from 2007 to January 2009. From July 2002 to July 2005, Ms. Jurich served as an associate at Summit Partners, a private equity firm. Ms. Jurich holds a B.S. in Science, Technology, and Society from Stanford University and an M.B.A. from the Stanford Graduate School of Business.

Ms. Jurich was selected to serve on our board of directors because of the perspective and experience she brings as one of our co-founders and as one of our largest stockholders.

Steven Vassallo. Mr. Vassallo has served as a member of our board of directors since October 2009 and previously served as a member of our board of directors from June 2008 to July 2009. Since October 2007, Mr. Vassallo has served as a General Partner at Foundation Capital, a venture capital firm. Mr. Vassallo currently serves on the boards of directors of Control4 Corporation, a home automation and smart controls company, and a number of privately held companies. Mr. Vassallo holds a B.S. in Mechanical Engineering from Worcester Polytechnic Institute and an M.B.A. from the Stanford Graduate School of Business.

Mr. Vassallo was selected to serve on our board of directors because of his extensive experience as an investor building emerging growth companies.

Gerald Risk. Mr. Risk has served as a member of our board of directors since February 2014. Since March 2013, Mr. Risk has served as Vice Chairman at Asurion, LLC, a company that provides device detection and support services, and previously served as its President from May 2009 to March 2013 and its Chief Financial Officer from February 1999 to May 2009. Mr. Risk currently serves on the boards of directors of a number of privately held companies. Mr. Risk holds a Bachelor of Commerce from Queen's University and an M.B.A. from the Stanford Graduate School of Business.

Mr. Risk was selected to serve on our board of directors because of his extensive executive experience and his experience as an operator and investor building emerging growth businesses.

Katherine August-deWilde. Ms. August-deWilde has served as a member of our board of directors since January 2016. Ms. August-deWilde is currently the Vice Chair of First Republic Bank, a position she has held since the beginning of 2016. Ms. August-deWilde has served as an executive at First Republic Bank since 1988. She served as COO from 1996-2014 and President from 2007-2015. Previously, Ms. August-deWilde was Senior Vice President and Chief Financial Officer at PMI Group. Ms. August-deWilde currently serves on the board of directors of First Republic Bank and TriNet Group Inc., a human resource software solutions company for businesses, as well as a number of privately held companies. She holds a B.A. degree from Goucher College and an M.B.A. from Stanford Graduate School of Business.

Ms. August-deWilde was selected to serve on our board of directors because of her extensive experience in the consumer facing financial industry.

#### Director Independence

Our common stock is listed on The NASDAQ Global Select Market. Under the listing standards of The NASDAQ Stock Market, independent directors must comprise a majority of a listed company's board of directors. In addition, the listing standards of The NASDAQ Stock Market require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the listing standards of The NASDAQ Stock Market, a director will only qualify as an "independent director" if, in the opinion of that listed company's board of directors, that director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

-7-

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Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the listing standards of The NASDAQ Stock Market. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act and the listing standards of The NASDAQ Stock Market.

Our board of directors has undertaken a review of the independence of each of our directors. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that Steven Vassallo, Richard Wong, Gerald Risk, Katherine August-deWilde and Leslie Dach do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the listing standards of The NASDAQ Stock Market. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled “Related Person Transactions.”

#### Board Leadership Structure and Lead Independent Director

Our Corporate Governance Guidelines require that if we do not have an independent chairperson than we will appoint a lead independent director. Mr. Fenster currently serves as an executive and chairman of our board of directors. Our board of directors believes that it can benefit from Mr. Fenster’s years of experience as a founder and executive of the Company. Mr. Fenster possesses detailed in-depth knowledge of the issues, opportunities, and challenges facing us.

Mr. Vassallo currently serves as the Lead Independent Director of our board of directors. Our board of directors believes that the current board leadership structure, with a strong emphasis on board independence, allows our management team to focus on our day-to-day business while allowing the Lead Independent Director to lead our board of directors in its fundamental role of providing independent advice to and oversight of management. In addition, as described below, our board has three standing committees, each member of which is an independent director. Our board delegates substantial responsibility to each committee of the board, which reports their activities and actions back to the full board. We believe that the independent committees of our board are an important aspect of the leadership structure of our board.

#### Board Meetings and Committees

During our fiscal year ended December 31, 2016, our board of directors held five meetings (including regularly scheduled and special meetings), and each director attended at least 75% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he or she has been a director and (ii) the total number of meetings held by all committees of our board of directors on which he or she served during the periods that he or she served.

Although we do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we strongly encourage our directors to attend.

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

#### Audit Committee

Our audit committee consists of Messrs. Vassallo and Risk and Ms. August-deWilde, with Mr. Risk serving as the chair. Each member of our audit committee meets the requirements for independence and financial literacy for audit committee members under the listing standards of The NASDAQ Stock Market and SEC rules and regulations. In addition, our board of directors has determined that Mr. Risk and Ms. August-deWilde are each an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended. Our audit committee is responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;

- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions; and
- approving or, as required, pre-approving, all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of The NASDAQ Stock Market. A copy of the charter of our audit committee is available on our website at [www.sunrun.com](http://www.sunrun.com) under “Investors – Corporate Governance”. During our fiscal year ended December 31, 2016, our audit committee held five meetings.

#### Compensation Committee

Our compensation committee consists of Ms. August-deWilde, Messrs. Vassallo and Wong, with Mr. Wong serving as the chair. Each member of our compensation committee meets the requirements for independence for compensation committee members under the listing standards of The NASDAQ Stock Market and SEC rules and regulations, including Rule 10C-1 under the Exchange Act. Each member of our compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code (the “Code”). Our compensation committee is responsible for, among other things:

- reviewing, approving and determining, or making recommendations to our board of directors regarding, the compensation of our executive officers;
  - administering our equity compensation plans;
- reviewing, approving and making recommendations to our board of directors regarding incentive compensation and equity compensation plans;
  - evaluating director compensation and making recommendations to our board of directors regarding the compensation of our directors; and
- establishing and reviewing general policies relating to compensation and benefits of our employees.

Our compensation committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of The NASDAQ Stock Market. A copy of the charter of our compensation committee is available on our website at [www.sunrun.com](http://www.sunrun.com) under “Investors – Corporate Governance”. During our fiscal year ended December 31, 2016, our compensation committee held three meetings.

#### Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Wong and Dach, with Mr. Dach serving as the chair. Each member of our nominating and corporate governance committee meets the requirements for independence under the listing standards of The NASDAQ Stock Market and SEC rules and regulations. Our nominating and corporate governance committee is responsible for, among other things:

- identifying, evaluating and selecting, or making recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluating the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting; and
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters.

Our nominating and corporate governance committee operates under a written charter that satisfies the applicable listing standards of The NASDAQ Stock Market. A copy of the charter of our nominating and corporate governance

committee is available on our website at [www.sunrun.com](http://www.sunrun.com) under “Investors – Corporate Governance”. During our fiscal year ended December 31, 2016, our nominating and corporate governance committee held one meeting.

## Compensation Committee Interlocks and Insider Participation

During the last fiscal year, Ms. August-deWilde and Messrs. Vassallo and Wong served as members of our compensation committee. None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our board of directors or compensation committee.

## Considerations in Evaluating Director Nominees

Our nominating and corporate governance committee uses a variety of methods for identifying and evaluating director nominees. In its evaluation of director candidates, our nominating and corporate governance committee will consider the current size and composition of our board of directors and the needs of our board of directors and the respective committees of our board of directors. Some of the qualifications that our nominating and corporate governance committee considers include, without limitation, issues of character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest and other commitments. Nominees must also have the ability to offer advice and guidance to our Chief Executive Officer based on past experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are affiliated. Director candidates must have sufficient time available in the judgment of our nominating and corporate governance committee to perform all board of director and committee responsibilities. Members of our board of directors are expected to prepare for, attend, and participate in all board of director and applicable committee meetings. Other than the foregoing, there are no stated minimum criteria for director nominees, although our nominating and corporate governance committee may also consider such other factors as it may deem, from time to time, are in our and our stockholders' best interests.

Although our board of directors does not maintain a specific policy with respect to board diversity, our board of directors believes that our board of directors should be a diverse body, and our nominating and corporate governance committee considers a broad range of backgrounds and experiences. In making determinations regarding nominations of directors, our nominating and corporate governance committee may take into account the benefits of diverse viewpoints. Our nominating and corporate governance committee also considers these and other factors as it oversees the annual board of director and committee evaluations. After completing its review and evaluation of director candidates, our nominating and corporate governance committee recommends to our full board of directors the director nominees for selection.

## Stockholder Recommendations for Nominations to the Board of Directors

Our nominating and corporate governance committee will consider candidates for director recommended by stockholders holding at least one percent (1%) of the fully diluted capitalization of our company continuously for at least twelve (12) months prior to the date of the submission of the recommendation, so long as such recommendations comply with our amended and restated certificate of incorporation and amended and restated bylaws and applicable laws, rules and regulations, including those promulgated by the SEC. Our nominating and corporate governance committee will evaluate such recommendations in accordance with its charter, our amended and restated bylaws, our policies and procedures for director candidates, as well as the regular director nominee criteria described above. This process is designed to ensure that our board of directors includes members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to our business. Eligible stockholders wishing to recommend a candidate for nomination should contact our General Counsel or our Legal Department in writing. Such recommendations must include information about the candidate, a statement of support by the recommending stockholder, evidence of the recommending stockholder's ownership of our common stock and a signed letter from the candidate confirming willingness to serve on our board of directors. Our nominating and corporate governance committee has discretion to decide which individuals to recommend for nomination as directors.



Under our bylaws, stockholders may also nominate persons for our board of directors. Any nomination must comply with the requirements set forth in our bylaws and should be sent in writing to our Secretary at Sunrun Inc., 595 Market Street, 29<sup>th</sup> Floor, San Francisco, CA 94105. To be timely for our 2018 annual meeting of stockholders, our Secretary must receive the nomination no earlier than January 28, 2018 and no later than February 27, 2018.

#### Communications with the Board of Directors

Interested parties wishing to communicate with our board of directors or with an individual member or members of our board of directors may do so by writing to our board of directors or to the particular member or members of our board of directors, and mailing the correspondence to our General Counsel at Sunrun Inc., 595 Market Street, 29<sup>th</sup> Floor, San Francisco, CA 94105. Our General Counsel, in consultation with appropriate members of our board of directors as necessary, will review all incoming communications

and, if appropriate, all such communications will be forwarded to the appropriate member or members of our board of directors, or if none is specified, to the Chairman of our board of directors.

#### Corporate Governance Guidelines and Code of Business Conduct and Ethics

Our board of directors has adopted Corporate Governance Guidelines that address items such as the qualifications and responsibilities of our directors and director candidates and corporate governance policies and standards applicable to us in general. In addition, our board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our Corporate Governance Guidelines and our Code of Business Conduct and Ethics is posted on the Corporate Governance portion of our website at [www.sunrun.com](http://www.sunrun.com) under “Investors – Corporate Governance”. We will post amendments to our Code of Business Conduct and Ethics or waivers of our Code of Business Conduct and Ethics for directors and executive officers on the same website.

#### Risk Management

Risk is inherent with every business, and we face a number of risks, including strategic, financial, business and operational, political, regulatory, legal and compliance, and reputational. We have designed and implemented processes to manage risk in our operations. Management is responsible for the day-to-day management of risks the company faces, while our board of directors, as a whole and assisted by its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our board of directors believes that open communication between management and our board of directors is essential for effective risk management and oversight. Our board of directors meets with our Chief Executive Officer and other members of the senior management team at quarterly meetings of our board of directors, where, among other topics, they discuss strategy and risks facing the company, as well as at such other times as they deemed appropriate.

While our board of directors is ultimately responsible for risk oversight, our board committees assist our board of directors in fulfilling its oversight responsibilities in certain areas of risk. Our audit committee assists our board of directors in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, legal and regulatory compliance, and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. Our audit committee also reviews our major financial risk exposures and the steps management has taken to monitor and control these exposures. Our audit committee also monitors certain key risks on a regular basis throughout the fiscal year, such as risk associated with internal control over financial reporting and liquidity risk. Our nominating and corporate governance committee assists our board of directors in fulfilling its oversight responsibilities with respect to the management of risk associated with board organization, membership and structure, and corporate governance. Our compensation committee assesses risks created by the incentives inherent in our compensation policies. Finally, our full board of directors reviews strategic and operational risk in the context of reports from the management team, receives reports on all significant committee activities, and evaluates the risks inherent in significant transactions.

#### Director Compensation

In January 2016, we implemented a non-employee director pay policy pursuant to which our unaffiliated, non-employee directors are eligible to receive equity awards and annual cash compensation for service on our board of directors and committees of our board of directors. This policy was amended in March 2017.

#### Cash Compensation

At present, unaffiliated, non-employee directors are entitled to receive the following cash compensation for their services:

- \$50,000 per year for service as a board member;
- \$25,000 per year for service as chair of the audit committee;
- \$10,000 per year for service as chair of the compensation committee;
- \$5,000 per year for service as chair of the nominating and corporate governance committee; and
- \$10,000 per year for service as a non-chairperson member of the audit committee.

All cash payments to non-employee directors are paid quarterly.

### Equity Compensation

Each unaffiliated, non-employee director who joins our board of directors will be granted, at the time of election or appointment, a restricted stock unit (“RSU”) award having a pro-rated award value of \$100,000, as determined on the date of grant. The award will vest 100% on January 1<sup>st</sup> the year following the date of grant, subject to the continued service of the board member. In addition, each then-serving unaffiliated, non-employee director will be granted an annual RSU award having an award value of \$100,000, as determined on the date of grant. The annual award will vest 100% on January 1<sup>st</sup> the year following the date of grant, subject to the continued service of the board member.

### Director Compensation for Fiscal Year 2016

The following table sets forth a summary of the compensation received by our non-employee directors who received compensation during our fiscal year ended December 31, 2016:

Director	Fees Earned or Paid		
	in Cash(\$)	Stock Awards(\$)(1)	Total(\$)
Katherine August-deWilde (3)	\$ 50,000	\$ 91,664	\$ 141,664
Leslie Dach (3)	\$ 33,375	\$ 67,000	\$ 100,375
Gerald Risk (3)	\$ 65,000	\$ 100,000	\$ 165,000
Jameson McJunkin (2)(3)	—	—	—
Steven Vassallo (3)	—	—	—
Richard Wong (3)	—	—	—

(1) The amounts reported in the Stock Awards column represent the grant date fair value of the stock awards granted to the named directors during 2016 as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation Stock Compensation or ASC 718. Note that the amounts reported in the column reflect the accounting cost for these stock awards, and do not correspond to the actual economic value that may be received by the named directors from the stock awards.

(2) Mr. McJunkin resigned from our board of directors effective March 15, 2017.

(3) Equity incentive awards outstanding at December 31, 2016 for each non-employee director were as follows: (i) Ms. August-deWilde had 18,044 shares issuable pursuant to RSUs which 100% vested on January 1, 2017, (ii) Mr. Dach had 9,216 shares issuable pursuant to RSUs which 100% vested on January 1, 2017 and 100,000 stock options outstanding, of which 92,500 were vested as of December 31, 2016 and the remaining 7,500 stock options vested in equal monthly increments through March 5, 2017, and (iii) Mr. Risk had 19,685 shares issuable pursuant to RSUs which 100% vested on January 1, 2017 and 120,000 stock options outstanding, of which 117,000 were vested as of December 31, 2016 and the remaining 3,000 stock options vested on January 31, 2017.

Our directors who are also our employees receive no additional compensation for their service as directors. During our fiscal year ended December 31, 2016, Lynn Jurich and Edward Fenster were our employees. See the section titled “Executive Compensation” for additional information about the compensation paid to Ms. Jurich and Mr. Fenster.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our board of directors is currently composed of seven members. In accordance with our amended and restated certificate of incorporation, our board of directors is divided into three staggered classes of directors. At the Annual Meeting, three Class II directors will be elected for a three-year term to succeed the same class whose term is then expiring.

Each director's term continues until the election and qualification of his or her successor, or such director's earlier death, resignation, or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Nominees

Our nominating and corporate governance committee has recommended, and our board of directors has approved, Edward Fenster, Richard Wong and Leslie Dach as nominees for election as Class II directors at the Annual Meeting. If elected, each of Messrs. Fenster, Wong and Dach will serve as Class II directors until our 2020 annual meeting of stockholders and until their successors are duly elected and qualified. Each of the nominees is currently a director of our company. For information concerning the nominees, please see the section titled "Board of Directors and Corporate Governance."

If you are a stockholder of record and you sign your proxy card or vote by telephone or over the Internet but do not give instructions with respect to the voting of directors, your shares will be voted "FOR" the election of Messrs. Fenster, Wong and Dach. We expect that each of Messrs. Fenster, Wong and Dach will accept such nomination; however, in the event that a director nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee designated by our board of directors to fill such vacancy. If you are a street name stockholder and you do not give voting instructions to your broker or nominee, your broker will leave your shares unvoted on this matter.

Vote Required

The election of directors requires a plurality vote of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. Broker non-votes and abstentions will have no effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"

EACH OF THE NOMINEES NAMED ABOVE.

## PROPOSAL NO. 2

## RATIFICATION OF APPOINTMENT OF

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our audit committee has appointed Ernst & Young LLP (“E&Y”), independent registered public accountants, to audit our consolidated financial statements for our fiscal year ending December 31, 2017. During our fiscal year ended December 31, 2016, E&Y served as our independent registered public accounting firm.

Notwithstanding the appointment of E&Y and even if our stockholders ratify the appointment, our audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during our fiscal year if our audit committee believes that such a change would be in the best interests of our company and our stockholders. At the Annual Meeting, our stockholders are being asked to ratify the appointment of E&Y as our independent registered public accounting firm for our fiscal year ending December 31, 2017. Our audit committee is submitting the appointment of E&Y to our stockholders because we value our stockholders’ views on our independent registered public accounting firm and as a matter of good corporate governance. Representatives of E&Y will be present at the Annual Meeting, and they will have an opportunity to make a statement and will be available to respond to appropriate questions from our stockholders.

If our stockholders do not ratify the appointment of E&Y, our board of directors may reconsider the appointment.

## Fees Paid to the Independent Registered Public Accounting Firm

The following table presents fees for professional audit services and other services rendered to our company by E&Y for our fiscal years ended December 31, 2015 and 2016.

	2016	2015
Audit Fees (1)	\$4,880,000	\$8,771,198
Audit-Related Fees (2)	111,800	90,000
Tax Fees (3)	15,000	28,910
All Other Fees (4)	1,995	1,995
Total Fees	\$5,008,795	\$8,892,103

(1) Audit fees for 2016 consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, including estimated fees for audits of Investment Funds to be performed and review of our quarterly consolidated financial statements and assistance with and review of documents filed with the SEC. Audit fees for 2015 consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, including fees for audits of Investment Funds, review of our quarterly consolidated financial statements and our IPO. The 2015 audit fees were updated from the estimated audit fees previously disclosed in the proxy statement for the 2016 annual meeting to reflect the final audit fees billed for 2015.

(2) Audit-related fees for 2016 consist of consultations on accounting matters and internal controls over financial reporting. Audit-related fees for 2015 consist of agreed upon procedures related to a 2015 debt transaction.

(3) Tax fees principally include fees for tax compliance.

(4) All other fees consist of fees for accessing E&Y’s online research database.

Auditor Independence

In our fiscal year ended December 31, 2016, there were no other professional services provided by E&Y that would have required our audit committee to consider their compatibility with maintaining the independence of E&Y.

**Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

Our audit committee has established a policy governing our use of the services of our independent registered public accounting firm. Under this policy, our audit committee is required to pre-approve all audit and non-audit services performed by our independent registered public accounting firm in order to ensure that the provision of such services does not impair the public accountants' independence. All fees paid to E&Y for our fiscal years ended December 31, 2015 and 2016 were pre-approved by our audit committee.

Vote Required

The ratification of the appointment of E&Y as our independent registered public accounting firm requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions will have the effect of a vote AGAINST the proposal and broker non-votes will have no effect.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR”

THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP.



## REPORT OF THE AUDIT COMMITTEE

The audit committee is a committee of the board of directors comprised solely of independent directors as required by the listing standards of The NASDAQ Stock Market and rules and regulations of the SEC. The audit committee operates under a written charter approved by the board of directors, which is available on the company's website at [www.sunrun.com](http://www.sunrun.com) under "Investors – Corporate Governance". The composition of the audit committee, the attributes of its members and the responsibilities of the audit committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The audit committee reviews and assesses the adequacy of its charter and the audit committee's performance on an annual basis.

With respect to the company's financial reporting process, the management of the company is responsible for (1) establishing and maintaining internal controls and (2) preparing the company's consolidated financial statements. The company's independent registered public accounting firm, Ernst & Young LLP ("E&Y"), is responsible for auditing these financial statements. It is the responsibility of the audit committee to oversee these activities. It is not the responsibility of the audit committee to prepare the company's financial statements. These are the fundamental responsibilities of management. In the performance of its oversight function, the audit committee has:

- reviewed and discussed the audited financial statements with management and E&Y;
- discussed with E&Y the matters required to be discussed by the statement on Auditing Standards No. 16, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), and as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and
- received the written disclosures and the letter from E&Y required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with E&Y its independence.

Based on the audit committee's review and discussions with management and E&Y, the audit committee recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10 K for the fiscal year ended December 31, 2016 for filing with the Securities and Exchange Commission.

Respectfully submitted by the members of the audit committee of the board of directors:

Gerald Risk (Chair)

Steven Vassallo

Katherine August-deWilde

This report of the audit committee is required by the Securities and Exchange Commission ("SEC") and, in accordance with the SEC's rules, will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended ("Securities Act"), or under the Securities Exchange Act of 1934, as amended ("Exchange Act"), except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

## EXECUTIVE OFFICERS

The following table identifies certain information about our executive officers as of April 13, 2017. Our executive officers are appointed by, and serve at the discretion of, our board of directors. There are no family relationships among any of our directors or executive officers.

Name	Age	Position
Lynn Jurich	37	Chief Executive Officer and Director
Edward Fenster	40	Chairman
Bob Komin	54	Chief Financial Officer
Paul Winnowski	45	President and Chief Operating Officer
Mina Kim	43	General Counsel

Lynn Jurich. Ms. Jurich is one of our co-founders and has served as our Chief Executive Officer since March 2014 and as a member of our board of directors since inception. Ms. Jurich served as our Co-Chief Executive Officer from October 2012 to March 2014, our President from January 2009 to October 2012, and our Executive Vice President of Sales and Marketing from 2007 to January 2009. From July 2002 to July 2005, Ms. Jurich served as an associate at Summit Partners, a private equity firm. Ms. Jurich holds a B.S. in Science, Technology, and Society from Stanford University and an M.B.A. from the Stanford Graduate School of Business.

Edward Fenster. Mr. Fenster is one of our co-founders and has served as our Chairman since March 2014 and as a member of our board of directors since inception. Mr. Fenster served as our Chief Executive Officer from June 2008 to October 2012, and our Co-Chief Executive Officer from October 2012 to March 2014. From May 2003 to June 2005, Mr. Fenster served as Director of Corporate Development at Asurion, LLC, a technology device protection and support company. From July 1999 to May 2003, Mr. Fenster worked at The Blackstone Group, a private equity firm. Mr. Fenster holds a B.A. in Economics from Johns Hopkins University and an M.B.A. from the Stanford Graduate School of Business.

Bob Komin. Mr. Komin has served as our Chief Financial Officer since March 2015. From September 2013 to January 2015, Mr. Komin served as Chief Financial Officer at Flurry, Inc., a mobile analytics and advertising company. From August 2012 to August 2013, Mr. Komin served as Chief Financial Officer at Ticketfly, Inc., a ticket-distribution service provider. From January 2010 to July 2012, Mr. Komin served in various roles at Linden Research, Inc., a developer of digital entertainment, including as Chief Financial Officer. Previously, Mr. Komin also served as Chief Financial Officer at Solexel, Inc., a thin-silicon solar company, Tellme Networks, Inc., a telephone-based applications company, and XOR, Inc., a business application solution provider. Mr. Komin holds a B.S. in Accounting and General Science from the University of Oregon and an M.B.A. from the Harvard Business School.

Paul Winnowski. Mr. Winnowski joined us in connection with our acquisition of Mainstream Energy Corporation, a solar energy company, in February 2014 and has served as our President since March 2017 and as our Chief Operating Officer since February 2014. From December 2012 to January 2014, Mr. Winnowski served as Chief Executive Officer at Mainstream Energy Corporation. From March 2008 to March 2012, Mr. Winnowski served as President, Fire and Security, Europe and South Africa at United Technologies Corporation, a provider of security and fire detection solutions. Mr. Winnowski holds a B.A. in Business Economics from the University of San Diego and an M.B.A. from Vanderbilt University.

Mina Kim. Ms. Kim has served as our General Counsel since March 2014. From September 2007 to March 2014, Ms. Kim served as Vice President, Legal of BBAM LLC and General Counsel of Fly Leasing Limited, an aircraft

leasing company. Previously, Ms. Kim served as Assistant General Counsel of Williams-Sonoma, Inc., a specialty retailer. Ms. Kim holds a B.A. in History from Dartmouth College and a J.D. from Harvard Law School.

## EXECUTIVE COMPENSATION

## Processes and Procedures for Compensation Decisions

Our compensation committee is responsible for the executive compensation programs for our executive officers and reports to our board of directors on its discussions, decisions and other actions. Typically, our Chief Executive Officer makes recommendations to our compensation committee, often attends committee meetings and is involved in the determination of compensation for the respective executive officers that report to her, except that our Chief Executive Officer is not present for and does not participate in the decisions regarding her own compensation or that of our Chairman. The compensation committee is authorized to retain the services of one or more executive compensation advisors, as it sees fit, in connection with the establishment of our compensation programs and related policies. In the first half of 2016, the compensation committee retained Semler Brossy, an independent compensation consultant, and beginning June 2016, Meridian Compensation Partners, an independent compensation consultant, to provide it with information, recommendations and other advice relating to executive compensation on an ongoing basis. During the year, neither Semler Brossy nor Meridian Compensation Partners provided any services unrelated to executive compensation.

## Fiscal 2016 Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was earned by our Chief Executive Officer and our two other most highly compensated executive officers who were serving as executive officers as of December 31, 2016. The individuals listed in the table below are our named executive officers for our fiscal year ended December 31, 2016.

Name	Year	Salary (\$)	Bonus (\$)	Non-Equity			Total (\$)
				Option Awards (1) (\$)	Stock Awards (2) (\$)	Incentive Plan Compensation (3) (\$)	
Lynn Jurich, CEO	2016	476,438	—	1,180,770	1,333,500	424,052	3,414,760
	2015	395,753	100,000	—	—	350,087	845,840
Bob Komin, Chief Financial Officer (4)	2016	338,219	—	421,704	1,349,500	195,675	2,305,098
	2015	244,110	—	2,435,625	1,033,000	140,080	3,852,815
Edward Fenster, Chairman	2016	438,219	—	1,124,542	1,270,000	323,119	3,155,880

(1) The amounts reported in the Options Awards column represent the grant date fair value of the stock options granted to the named executive officers during 2015 and 2016 as computed in accordance with ASC 718. The assumptions used in calculating the grant date fair value of the stock options reported in the Option Awards column are set forth in our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2016. Note that amounts reported in this column reflect the accounting cost for these option awards, and do not correspond to the actual economic value that may be received by the named executive officers from the stock options.

- (2) The amounts reported in the Stock Awards column represent the grant date fair value of the stock awards granted to the named executive officers during 2015 and 2016 as computed in accordance with ASC 718. Note that the amounts reported in the column reflect the accounting cost for these stock awards, and do not correspond to the actual economic value that may be received by the named executive officers from the stock awards.
- (3) The amounts in the Non-Equity Incentive Plan Compensation column for 2015 represent the amounts earned and payable under the 2015 bonus plan, all of which were paid in 2016. The amounts reported for 2016 represent the amounts earned and payable under the 2016 bonus plan, all of which were paid in 2017. Our board of directors formally adopted an Annual Incentive Plan (AIP) for our executives in December 2014. For the 2016 bonus plan, payments were awarded based on achievement against the key company metrics for 2016, including (without limitation) megawatts deployed, net present value and net promoter scores. Under our AIP, our compensation committee retains discretionary authority to modify final bonus payouts for any one executive up or down based on the compensation committee's assessment of that executive's overall individual performance.
- (4) Mr. Komin was hired as our Chief Financial Officer in March 2015.

#### Welfare and Other Employee Benefits

We provide other benefits to our executive officers on the same basis as all of our full-time employees in the country where they reside. These benefits include health, dental and vision benefits, health and dependent care flexible spending accounts, commuter benefits, short-term and long-term disability insurance, accidental death and dismemberment insurance and basic life insurance coverage. See below for a description of our 401(k) plan.

### Perquisites and Other Personal Benefits

We do not provide perquisites to our named executive officers, except in limited situations.

### Pension Benefits

We did not sponsor any defined pension or other actuarial plan for our executive officers during the 2016 fiscal year.

### 401(k) Plan

We maintain a tax-qualified retirement plan (401(k) "plan"). The 401(k) plan provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. Each eligible employee is able to participate in the 401(k) plan as of his or her date of hire. Under the 401(k) plan, participants are able to defer up to 90% of their eligible compensation subject to applicable annual Code limits. Under the 401(k) plan, all participants' interests in their deferrals are 100% vested when contributed. The 401(k) plan permits us to make matching contributions and profit sharing contributions to eligible participants, although we have declined to make any such contributions to date. We intend for our 401(k) plan to qualify under Section 401(a) and 501(a) of the Code so that contributions by employees to our 401(k) plan, and income earned on those contributions, are not taxable to employees until withdrawn from our 401(k) plan.

### Executive Employment Agreements

#### Lynn Jurich

We have entered into a confirmatory employment letter with Lynn Jurich, our Chief Executive Officer. The confirmatory employment letter, dated May 12, 2015, has no specific term and provides for at-will employment. At December 31, 2016 and currently, Ms. Jurich's annual base salary was and remains \$500,000, and she was and remains eligible for annual target incentive payments equal to 100% of her base salary.

#### Bob Komin

Bob Komin became our Chief Financial Officer in March 2015. We have entered into a confirmatory employment letter with him dated May 12, 2015. The confirmatory employment letter has no specific term and provides for at-will employment. At December 31, 2016, Mr. Komin's annual base salary was \$350,000 and he was eligible for annual target incentive payments equal to 65% of his base salary. Currently, his annual base salary remains \$350,000 and he is eligible for annual target incentive payments equal to 80% of his base salary.

#### Edward Fenster

We have entered into a confirmatory employment letter with Edward Fenster, our Chairman. The confirmatory employment letter, dated May 12, 2015, has no specific term and provides for at-will employment. At December 31, 2016 and currently, Mr. Fenster's annual base salary was and remains \$450,000, and he was and remains eligible for annual target incentive payments equal to 80% of his base salary.

## Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding equity awards held by our named executive officers at December 31, 2016.

Name	Option Awards				Stock Awards		
	Grant Date	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option exercise price (\$)	Option Expiration Date	Number of shares or units of stock that have not vested	Market value of shares of units of stock that have not vested (\$)
Lynn Jurich	6/16/2011(1)	495,010	—	\$ 1.95	6/15/2021	—	—
	4/12/2013(1)	303,500	—	\$ 3.19	4/11/2023	—	—
	4/11/2014(2)	266,666	133,334	\$ 5.88	4/10/2024	—	—
	2/11/2016(3)	—	619,469	\$ 5.08	2/10/2026	—	—
	2/11/2016(4)	—	—	\$ —	—	262,500	\$1,393,875
Bob Komin	4/10/2015(5)	517,285	32,715	\$ 9.17	4/9/2025	—	—
	4/10/2015(6)	—	—	\$ —	—	56,250	\$298,687
	2/11/2016(3)	—	221,239	\$ 5.08	2/10/2026	—	—
	2/11/2016(4)	—	—	\$ —	—	93,750	\$497,813
	11/8/2016(7)	—	—	\$ —	—	175,000	\$929,250
Edward Fenster	6/16/2011(1)	495,010	—	\$ 1.95	6/15/2021	—	—
	4/12/2013(1)	303,500	—	\$ 3.19	4/11/2023	—	—
	4/11/2014(2)	266,666	133,334	\$ 5.88	4/10/2024	—	—
	2/11/2016(3)	—	589,970	\$ 5.08	2/10/2026	—	—
	2/11/2016(4)	—	—	\$ —	—	250,000	\$1,327,500

(1) The stock option is fully vested and immediately exercisable.

(2) Twenty-five percent of the shares subject to the option vested on April 11, 2015 and one forty-eighth of the shares subject to the option vest monthly thereafter, subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement.

(3) Twenty-five percent of the shares subject to the option vested on February 11, 2017 and one forty-eighth of the shares subject to the option vest monthly thereafter, subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement.

(4)

The restricted stock units (“RSUs”) vest over four years. Twenty-five percent (25%) of the RSUs vested on February 11, 2017 and the remaining RSUs vest in equal quarterly installments thereafter subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement.

- (5) Twenty-five percent of the shares subject to the option vested on March 9, 2016 and one forty-eighth of the shares subject to the option vested monthly thereafter through December 31, 2016, subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement. Additionally, the compensation committee approved an “early exercise” feature with respect to 517,285 shares that may be exercised prior to vesting, subject to the Company’s right to repurchase the shares (at the exercise price) if Mr. Komin terminates employment prior to the vesting date(s). In connection with the November 8, 2016 grant described in Footnote (7) below, the compensation committee paused vesting of the remaining unvested shares subject to the option for the period January 1, 2017 through December 31, 2018, and 100% of those remaining unvested shares subject to the option shall vest on January 1, 2019, subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement.
- (6) The RSUs vest over four years. Twenty-five percent of the RSUs vested on March 9, 2016 and the remaining RSUs vest in equal monthly installments thereafter subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement.
- (7) The RSUs vest over two years. One forty-eighth of the RSUs vested on January 1, 2017 and the remaining RSUs vest in equal monthly installments thereafter subject to continued service to us and subject to acceleration of vesting as described in the “Potential Payments upon Termination or Change of Control” section of this proxy statement.
- (8) The amount reflected is calculated using \$5.31 per share, which is the NASDAQ closing market price of our common stock as of December 30, 2016.



### Potential Payments upon Termination or Change of Control

We adopted a change in control and severance plan applicable to our executive officers and certain other key employees. Under the plan, for the period from three months prior to until 12 months following a change in control (“change in control period”) if any plan participant is terminated for any reason other than cause, death or disability or a plan participant voluntarily resigns for good reason, the plan participant would be entitled to receive severance benefits. Lynn Jurich, Edward Fenster and Bob Komin are plan participants. Upon the occurrence of such an event, Ms. Jurich and Mr. Fenster are each entitled to receive the following severance benefits: (i) a lump sum cash amount equal to 18 months of their then current annual base salary, (ii) a lump sum cash amount equal to 150% of their target bonus amount for the fiscal year of termination, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of 18 months following termination, and (iv) all unvested equity awards held by the plan participant immediately prior to such termination will become vested and exercisable in full. Upon the occurrence of the same such event, Mr. Komin is entitled to receive the following severance benefits: (i) a lump sum cash amount equal to 12 months of his then current annual base salary, (ii) a lump sum cash amount equal to 100% of his target bonus amount for the fiscal year of termination, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of 12 months following termination, and (iv) all unvested equity awards held by Mr. Komin immediately prior to such termination will become vested and exercisable in full.

Further, under the policy, if, outside the change in control period, any plan participant is terminated for any reason other than cause, death or disability or, in the case of certain plan participants (including our named executive officers), a plan participant voluntarily resigns for good reason, the plan participant would be entitled to receive severance benefits. Upon the occurrence of such an event, Ms. Jurich and Mr. Fenster are each entitled to receive the following: (i) continuing payments of their then current annual base salary for a period of 12 months following the termination date, (ii) a pro-rated amount of the average aggregate amount of the actual bonus payments paid to them during each of the two fiscal years immediately preceding the fiscal year of their termination date and payable over a period of 12 months following the termination date, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of 12 months following termination, and (iv) 50% of all unvested equity awards held by such plan participant immediately prior to such termination will become vested and exercisable in full. Upon the occurrence of the same such an event, Mr. Komin is entitled to receive the following: (i) continuing payments of this then current annual base salary for a period of six months following the termination date, (ii) a pro-rated amount of the average aggregate amount of the actual bonus payments paid to him during each of the two fiscal years immediately preceding the fiscal year of the termination date and payable over a period of six months following the termination date, (iii) reimbursement of continued health coverage under COBRA or taxable lump sum payment in lieu of reimbursement, as applicable, for a period of six months following termination, and (iv) 50% of all unvested equity awards held by Mr. Komin immediately prior to such termination will become vested and exercisable in full.

In order to receive the severance benefits, Ms. Jurich, Mr. Fenster and/or Mr. Komin must sign and not revoke a release of claims in our favor within the timeframe set forth in the plan.

### Compensation Committee Report

The compensation committee has reviewed and discussed the section titled “Executive Compensation” with management. Based on such review and discussion, the compensation committee has recommended to the board of directors that the section titled “Executive Compensation” be included in this proxy statement.

Respectfully submitted by the members of the compensation committee of the board of directors:

Richard Wong (Chair)

Steven Vassallo

Katherine August-deWilde

-21-

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## Equity Compensation Plan Information

The following table summarizes our equity compensation plan information as of December 31, 2016. Information is included for equity compensation plans approved by our stockholders. We do not have any equity compensation plans not approved by our stockholders.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options (1)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders(1)	17,003,067 (2)	\$ 5.94	(3) 13,592,332
Equity compensation plans not approved by stockholders	—	—	—
Total	17,003,067	\$ 5.94	13,592,332

(1) Includes the following plans: 2008 Equity Incentive Plan, 2009 Mainstream Energy Corporation ("MEC") Stock Plan, 2013 Equity Incentive Plan, 2014 Equity Incentive Plan, 2015 Equity Incentive Plan ("2015 Plan"), and 2015 Employee Stock Purchase Plan ("2015 ESPP"). Our 2015 Plan provides that on January 1st of each fiscal year commencing in 2016 and ending on (and including) January 1, 2025, the number of shares authorized for issuance under the 2015 Plan is automatically increased by a number equal to the lesser of (i) 10,000,000 shares; (ii) 4% of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year, or; (iii) such other amount as our board of directors may determine. Our 2015 ESPP provides that on January 1st of each fiscal year commencing in 2016 and ending on (and including) January 1, 2035, the number of shares authorized for issuance under the 2015 ESPP is automatically increased by a number equal to the lesser of (i) 5,000,000 shares; (ii) 2% of the outstanding shares of our common stock as of the last day of the immediately preceding fiscal year; or (iii) such other amount as our board of directors may determine. We do not have any non-stockholder approved equity compensation plans.

(2) This number includes 4,105,774 shares subject to restricted stock units.

(3) The weighted average exercise price relates solely to outstanding stock option shares since shares subject to the restricted stock units have no exercise price.

-22-

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of March 1, 2017 for:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors and nominees for director; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of our capital stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 104,602,654 shares of our common stock outstanding as of March 1, 2017. In computing the number of shares of capital stock beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares of our capital stock subject to options held by the person that are currently exercisable or exercisable within 60 days of March 1, 2017 and issuable upon the vesting of RSUs held by the person within 60 days of March 1, 2017. However, we did not deem such shares of our capital stock outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Sunrun Inc., 595 Market Street, San Francisco, California 94105. The information provided in the table is based on our records, information filed with the SEC and information provided to us, except where otherwise noted.

Name of Beneficial Owner	Number of	Percentage	
	Shares	of	
	Beneficially	Beneficially	
	Owned	Owned	
Named Executive Officers and Directors:			
Lynn Jurich (1)	3,615,273	3.46	%
Bob Komin (2)	653,543	*	
Steven Vassallo (3)	10,894,509	10.42	%
Richard Wong (4)	4,541,797	4.34	%
Gerald Risk (5)	627,804	*	
Katherine August-deWilde (6)	78,044	*	
Edward Fenster (7)	3,130,063	2.99	%
Leslie Dach(8)	150,329	*	
All executive officers and directors as a group (10 persons) (9)	25,237,184	24.13	%
5% Stockholders:			
Fidelity Management & Research(10)	15,421,308	14.74	%
Foundation Capital VI, L.P.(3)	10,894,509	10.42	%
Sequoia Capital U.S. Growth Fund IV, L.P.(11)	7,517,960	7.19	%

Madrone Partners, L.P.(12)	6,537,986	6.25	%
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\*Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our common stock.

- (1) Consists of (i) 2,336,085 shares held of record by Ms. Jurich and (ii) 1,279,188 shares issuable pursuant to outstanding stock options held by Ms. Jurich which are exercisable within 60 days of March 1, 2017.
- (2) Consists of (i) 61,055 shares held of record by Mr. Komin, (ii) 581,812 shares issuable pursuant to outstanding stock options held by Mr. Komin which are exercisable within 60 days of March 1, 2017 and (iii) 10,676 shares issuable pursuant to RSUs which will vest within 60 days of March 1, 2017.
- (3) As of December 31, 2016, the reporting date of the most recent filing with the SEC by entities affiliated with Foundation Capital pursuant to Section 13(g) of the Exchange Act filed on February 8, 2017, Foundation Capital VI, L.P. ("FC6") has shared voting and dispositive power with respect to 10,868,136 shares. Foundation Capital VI Principals Fund, L.L.C. ("FC6P") has shared voting and dispositive power with respect to 10,868,136 shares. Foundation Capital Management Co. VI, L.L.C. ("FCM6") has shared voting and dispositive power with respect to 10,868,136 shares. FCM6 serves as the sole general partner of FC6 and

serves as the manager of FC6P. As such, FCM6 possesses shared voting and dispositive power over the shares held by FC6 and FC6P and may be deemed to have indirect beneficial ownership of the shares held by FC6 and FC6P. FCM6 owns no securities of the issuer directly. The reported amount of securities beneficially owned includes (i) 10,867,841 shares held by FC6, (ii) 26,373 shares issuable upon the exercise of warrants held by FC6 and (iii) 295 shares issuable upon the exercise of warrants held by FC6P. The address for Foundation Capital is 250 Middlefield Road, Menlo Park, CA 94025. Steve Vassallo is a director of the Company and a managing member of FCM6 and may be deemed to share voting and investment power over the shares held by FC6 and FC6P.

- (4) As of December 31, 2016, the reporting date of the most recent filing with the SEC by entities affiliated with Accel Partners and Richard P. Wong (“RPW”) pursuant to Section 13(g) of the Exchange Act filed on February 13, 2017, RPW has sole voting and dispositive power with respect to 168,387 shares, which are directly owned by The Wong Family 2006 Trust dated 8/30/2006, and shared voting and dispositive power with respect to 4,356,350 shares, of which 3,906,340 are directly owned by Accel X L.P. (“A10”), 293,182 are directly owned by Accel X Strategic Partners L.P. (“A10SP”) and 156,828 are directly owned by Accel Investors 2009 L.L.C. (“AI09”). RPW is a director of the Company and managing member of A10A and AI09, and may be deemed to have shared power to vote and shared power to dispose of shares of the issuer directly owned by A10, A10SP and AI09. The address for RPW is Accel Partners, 428 University Avenue, Palo Alto, CA 94301. The reported amount of securities beneficially owned includes 17,060 shares issuable upon the exercise of warrants held by A10, A10SP and AI09.
- (5) Consists of (i) 495,054 shares held of record by the Risk Family Trust dated June 23, 2006, for which Mr. Risk and his spouse serve as co-trustees, (ii) 12,750 shares held directly by Mr. Risk and (iii) 120,000 shares issuable pursuant to outstanding stock options held by Mr. Risk which are exercisable within 60 days of March 1, 2017.
- (6) Consists of (i) 60,000 shares held of record by deWilde Family Trust, for which Ms. August-deWilde and her spouse serve as co-trustees and (ii) 18,044 shares held directly by Ms. August-deWilde.
- (7) Consists of (i) 2,004,479 shares held of record by Mr. Fenster and (ii) 1,125,584 shares issuable pursuant to outstanding stock options held by Mr. Fenster which are exercisable within 60 days of March 1, 2017.
- (8) Consists of (i) 20,571 shares held of record by the Dach Dickie Family Trust, (ii) 26,008 shares held of record by Mr. Dach, (iii) 100,000 shares issuable pursuant to outstanding stock options held by Mr. Dach which are exercisable within 60 days of March 1, 2017 (iv) 1,875 shares issuable upon the exercise of warrants held by the Dach Dickie Family Trust and (v) 1,875 shares issuable upon the exercise of warrants held by Mr. Dach.
- (9) Consists of (i) 21,156,130 shares held of record, (ii) 4,018,524 shares issuable pursuant to outstanding stock options which are exercisable within 60 days of March 1, 2017, (iii) 15,347 shares issuable pursuant to outstanding RSUs which will vest within 60 days of March 1, 2017 and (iv) 47,478 shares issuable upon exercise of warrants.
- (10) As of December 31, 2016, the reporting date of the most recent filing with the SEC by entities affiliated with Fidelity Management & Research Company (“FMR LLC”) pursuant to Section 13(g) of the Exchange Act filed on February 14, 2017, FMR LLC has sole dispositive power with respect to 15,421,308 shares, Abigail P. Johnson has sole dispositive power with respect to 15,421,308 shares, Fidelity Balanced Fund has sole voting power with respect to 6,291,540 shares and VIP Contrafund Portfolio has sole voting power with respect to 6,118,822 shares. Members of the Johnson family, including Abigail P. Johnson (a director, the Chairman and the Chief Executive Officer of FMR LLC), are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders’ voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders’ voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940 (the “Investment Company Act”), to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (“Fidelity Funds”) advised by Fidelity Management & Research Company (“FMR Co”), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds’ Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds’ Boards of Trustees. The reported amount of securities beneficially owned includes the securities beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries and

affiliates, and other companies (collectively the “FMR Reporters”). The reported amount of securities beneficially owned by the FMR Reporters does not include securities, if any, beneficially owned by certain other companies whose beneficial ownership of securities is disaggregated from that of the FMR Reporters in accordance with Securities and Exchange Commission Release No. 34-39538 (January 12, 1998). The address for FMR LLC is 245 Summer Street, Boston, MA 02210.



- (11) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Sequoia Capital pursuant to Section 13(g) of the Exchange Act filed on February 12, 2016, Sequoia Capital U.S. Growth Fund IV, L.P. (“SCGF IV”) has shared voting and dispositive power with respect to 7,204,719 shares, Sequoia Capital USGF Principals Fund IV, L.P. (“SCGF IV PF”) has shared voting and dispositive power with respect to 313,241 shares, SCGF IV Management, L.P. (“SCGF IV MGMT”) has shared voting and dispositive power with respect to 7,517,960 shares, of which 7,204,719 shares are directly held by SCGF IV and 313,241 shares are directly held by SCGF IV PF, and SC US (TTGP), LTD (“US TTGP”) has shared voting and dispositive power with respect to 7,517,960 shares, of which 7,204,719 shares are directly held by SCGF IV and 313,241 shares are directly held by SCGF IV PF. SCGF IV MGMT is the General Partner of each of SCGF IV and SCGF IV PF, and TTGP is the General Partner of SCGF IV MGMT. The reported amount of securities beneficially owned by SCGF IV includes 41,483 shares of the Company’s common stock issuable upon the exercise of an outstanding warrant. The reported amount of securities beneficially owned by SCGF IV PF includes 1,828 shares of the Company’s common stock issuable upon the exercise of an outstanding warrant. The reported amount of securities beneficially owned by SCGF IV MGMT and US TTGP includes 43,311 shares of the Company’s common stock issuable upon the exercise of outstanding warrants. The address for Sequoia Capital is 2800 Sand Hill Road, Suite 101, Menlo Park, CA 94025.
- (12) As of December 31, 2015, the reporting date of the most recent filing with the SEC by entities affiliated with Madrone Partners pursuant to Section 13(g) of the Exchange Act filed on February 16, 2016, Madrone Partners, L.P. (“Madrone”) has shared voting and dispositive power with respect to 6,374,192 shares and Madrone Capital Partners, LLC (“MCP”) has shared voting and dispositive power with respect to 6,374,192 shares. MCP is the general partner of Madrone, and shares voting and dispositive power over the shares held by Madrone. Jameson McJunkin is a managing member of MCP, which serves as the general partner of Madrone and shares voting and dispositive power over the shares held by Madrone. Mr. McJunkin disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. The address for Madrone Partners is 3000 Sand Hill Road, Building 1, Suite 150, Menlo Park, CA 94025. The reported amount of securities beneficially owned includes 163,794 shares issuable upon the exercise of warrants held by Madrone.

## RELATED PERSON TRANSACTIONS

We describe below transactions and series of similar transactions, since the beginning of our last fiscal year, to which we were a party or will be a party, in which:

the amounts involved exceeded or will exceed \$120,000; and  
any of our directors, nominees for director, executive officers or beneficial holders of more than 5% of our outstanding common stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities (each, a related person), had or will have a direct or indirect material interest.

Transactions with Enphase Energy, Inc. and Aquion Energy, Inc.

We have entered into a procurement agreement with Enphase Energy, Inc. (“Enphase”) to purchase inverters and other equipment from them. For the fiscal year ended on December 31, 2016, we recorded \$19.9 million in purchases from Enphase and had outstanding payables of \$0.4 million as of December 31, 2016. Mr. McJunkin, who served as one of our directors until March 2017, also served as a director of Enphase during the fiscal year ended December 31, 2016 and Madrone Capital Partners and its affiliates, which has a material ownership interest in Sunrun, also had a material ownership interests in Enphase during the fiscal year ended on December 31, 2016.

In addition, we have entered into a distribution and sales agreement with Aquion Energy, Inc. (“Aquion”) to purchase and distribute certain battery components and accessories. For the fiscal year ended December 31, 2016, we recorded \$0.4 million in purchases from Aquion and had a de minimis amount of outstanding payables as of December 31, 2016. Prior to January 1, 2016, we did not make purchases from Aquion. Mr. Vassallo, who serves as one of our directors, is also a director of Aquion.

### Policies and Procedures for Related Party Transactions

Our audit committee has the primary responsibility for reviewing and approving transactions with related persons. Our audit committee charter provides that our audit committee shall review and approve in advance any related person transactions. Our board of directors has adopted a formal written policy providing that we are not permitted to enter into any transaction that exceeds \$120,000 and in which any related person has a direct or indirect material interest without the consent of our audit committee. In approving or rejecting any such transaction, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to our audit committee, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction.

OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our executive officers, directors and 10% stockholders file reports of ownership and changes of ownership with the SEC. Such directors, executive officers and 10% stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

SEC regulations require us to identify in this proxy statement anyone who filed a required report late during the most recent fiscal year. Based on our review of forms we received and written representations of our executive officers, directors and 10% stockholders, we believe that during our fiscal year ended December 31, 2016, all Section 16(a) filing requirements were satisfied on a timely basis.

Fiscal Year 2016 Annual Report and SEC Filings

Our financial statements for our fiscal year ended December 31, 2016 are included in our Annual Report on Form 10 K, which we will make available to stockholders at the same time as this proxy statement. This proxy statement and our annual report are posted on our website at [www.sunrun.com](http://www.sunrun.com) under “Investors – Corporate Governance” and are available from the SEC at its website at [www.sec.gov](http://www.sec.gov). You may also obtain a copy of our annual report without charge by sending a written request to Sunrun Inc., Attention: Investor Relations, 595 Market Street, 29<sup>th</sup> Floor, San Francisco, California 94105.

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The board of directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented at the Annual Meeting, the persons named in the enclosed proxy card will have discretion to vote the shares of our common stock they represent in accordance with their own judgment on such matters.

It is important that your shares of our common stock be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by telephone or by using the Internet as instructed on the enclosed proxy card or execute and return, at your earliest convenience, the enclosed proxy card in the envelope that has also been provided.

THE BOARD OF DIRECTORS

San Francisco, California  
April 13, 2017

ANNUAL MEETING OF STOCKHOLDERS OF SUNRUN INC. May 26, 2017 GO GREEN y y u u y y  
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a n d f i l l i n t h e c i r c l e n e x t t o e a c h n o m i n e e y o u w i s h t o w i t h h o l d , a s s h o w n h e r e : N O M I N E E S :  
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P L E A S E S I G N , D A T E A N D R E T U R N P R O M P T L Y I N T H E E N C L O S E D E N V E L O P E . P L E A S E M A R K Y O U R V O T E I N B L U E I N K .  
& u u u u u y NOTE: x u v u u y y y u

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