

## **SUNNOVA ENERGY INTERNATIONAL INC**

### **STOCK OWNERSHIP POLICY**

#### **I. Purpose**

Sunnova Energy International Inc. (the “Company”) compensates its independent directors and senior employees with equity grants in the form of shares of restricted stock and stock options under the Company’s 2019 Long-Term Incentive Plan. The Board of Directors of the Company (“Board”) maintains this compensation philosophy with a corporate governance goal of promoting a long-term perspective in managing the enterprise as well as aligning the financial interests of the Company’s independent directors and senior employees with those of its stockholders. The Board believes that it is important that independent directors and senior employees maintain a certain level of ownership of shares of common stock of the Company (“Common Stock”) to further the Board’s compensation philosophy and to further highlight and promote the Company’s commitment to sound corporate governance.

#### **II. Scope**

This policy applies to the Company’s independent directors who receive compensation from the Company (“Covered Directors”), executive officers (as designated from time to time by the Board), and other employees designated by the Compensation Committee (each, together with the executive officers, a “Covered Employee”).

#### **III. Policy**

Covered Directors and Covered Employees subject to this policy are required to achieve their respective Minimum Ownership Requirement (as defined below) by the end of the fifth calendar year from the later of (i) January 1, 2020 (“Original Compliance Date”) or (ii) the date of election as a director, being named an executive officer or otherwise being designated as a Covered Employee. Upon achieving the respective Minimum Ownership Requirement, each Covered Director or Covered Employee must continue to maintain the Minimum Ownership Requirement at all times during a given calendar year and for so long as the Covered Director or Covered Employee remains subject to this policy.

Each Covered Director and Covered Employee must maintain the number of qualifying shares of Common Stock, as defined under Subsection A below, with a Fair Market Price, as defined under Subsection A below, equal to a multiple of the Covered Director’s base annual retainer, whether paid in cash or in stock, or the Covered Employee’s annual base salary (“Minimum Ownership Requirement”). The annual retainer for Covered Directors and annual base salary for Covered Employees are subject to annual review and adjustment. For Covered Directors, the Minimum Ownership Requirement is three times the base annual retainer. For Covered Employees, the Minimum Ownership Requirement will be as follows:

Covered Employee	Minimum Ownership Requirement
	Multiple of Salary
President and Chief Executive Officer	6 times
Executive Vice President	3 times

In the event that a Covered Employee becomes subject to a greater ownership multiple due to promotion or change in title, the individual is required to meet the higher multiple by the end of the fifth calendar year from the later of (i) the Original Compliance Date or (ii) the effective date of the promotion or change of title.

**A. *Stock Ownership Calculation***

The Company is mindful of the volatility inherent in share prices of publicly-traded companies. Therefore, in determining the number of shares of Common Stock required to be owned to meet the Minimum Ownership Requirement for the subsequent calendar year, as of the 1<sup>st</sup> day of January of each year, the current multiple of the base annual retainer for Covered Directors or the current salary of each Covered Employee will be divided by the Fair Market Price of the Company's Common Stock. Fair Market Price is defined as the average of the closing prices of a share of Common Stock on the New York Stock Exchange over the prior 90 days and will be the benchmark for determination of the number of shares to be retained pursuant to this policy. Covered Directors and Covered Employees will be notified by the Human Resources department of their respective Minimum Ownership Requirements for the subsequent calendar year.

**B. *Certification of Compliance***

By the first day of February of each year, Covered Directors and Covered Employees will be required to certify their holdings of Common Stock and compliance with their Minimum Ownership Requirement at all times during the applicable year through submission of a Certificate of Compliance in the form of Annex A. Minimum Ownership Requirements will not be subject to change due to fluctuations in the market price of Common Stock during the course of a calendar year. However, in the event of a stock split, reverse stock split or other similar change in the Company's stockholder's equity, immediate adjustment will be made to reflect the revised number of shares required to meet the required Minimum Ownership Requirements.

Once a Covered Director or Covered Employee has achieved the required Minimum Ownership Requirement, future declines in share price will not impact compliance with this policy as long as the Covered Director or Covered Employee holds the number of shares he or she had at the time he or she achieved the required Minimum Ownership Requirement.

**C. *Qualifying Shares***

To measure the value of the Minimum Ownership Requirements, the following holdings will be considered as "qualifying shares" under this policy:

- a. Shares owned directly by the Covered Director or Covered Employee whether acquired through open market purchases, the vesting of restricted stock or the exercise of stock options; and
- b. Shares owned indirectly, *i.e.*, in which the Covered Director or Covered Employee has an economic interest, including, but not limited to, shares owned jointly with a spouse or separately by a spouse and/or children sharing the Covered Director's or Covered Employee's household.

The following holdings will not be considered as "qualifying shares":

- a. Unvested restricted stock or restricted stock units;
- b. Unvested stock options; and
- c. Vested but unexercised stock options.

Covered Directors and Covered Employees will not be required to purchase Common Stock in order to achieve compliance with this policy. Since the Company does not have access to information about shares held in street name, in private brokerage accounts or owned by a spouse and/or children other than as reported by the Covered Director or Covered Employee, Covered Directors and Covered Employees will be required to provide such information upon request by the Company.

#### **D. *Long-Term Incentive Compensation Grants – Retention Requirement***

Commencing with the Long-Term Incentive grants awarded in March 2020, Covered Directors and Covered Employees are required to retain 60% of the Common Stock held through the vesting of such grants until the respective Minimum Ownership Requirement is met. The 40% of the Common Stock not required to be retained may be utilized to meet the tax obligations incurred on the vesting of the shares. This retention requirement shall not apply to Long-Term Incentive grants awarded in lieu of cash bonus awards or annual retainer. At a Covered Employee's option, shares held upon vesting of Long-Term Incentive grants awarded in lieu of cash bonus awards may be utilized to meet Minimum Ownership Requirements and if so utilized must be held by the Covered Employee until his or her Minimum Ownership Requirements are satisfied. At a Covered Director's option, shares held upon vesting of Long-Term Incentive grants awarded in lieu of annual cash retainer may be utilized to meet Minimum Ownership Requirements and if so utilized must be held by the Covered Director until his or her Minimum Ownership Requirements are satisfied.

#### **E. *Failure to Meet Minimum Ownership Requirement***

The failure by a Covered Director or Covered Employee to meet or to demonstrate to the Compensation Committee of the Board ("Committee") sustained progress toward the achievement of the applicable Minimum Ownership Requirement by the fifth calendar year as described in Section III will result in a restriction on sales of Common Stock (other than allowed sales of Common Stock used to meet tax obligations on the vesting of shares or exercise of stock options) until compliance with this policy and may result in (a) a reduction in the value of future Long-Term Incentive grants or (b) exclusion from future grants of Long-Term Incentive awards. Compliance with the retention requirements outlined in Subsection D above shall constitute sustained progress towards achievement of the applicable Minimum Ownership Requirement.

#### **F. *Hardship Considerations***

In the unexpected event that compliance with this policy gives rise to a severe hardship on a Covered Employee or causes the Covered Employee to fail to comply with a court order, such as in the case of a divorce settlement, the Covered Employee must review the circumstances with the Executive Vice President, Human Resources and the General Counsel to develop an alternative stock ownership plan that preserves the intent and objective of this policy, which plan shall be subject to the approval of the President and Chief Executive Officer. In the case of a hardship involving a Covered Director or the President and Chief Executive Officer, the Committee will review and approve any alternative ownership plan.

#### **IV. Responsibility**

The Board has delegated the administration of this policy to the Committee. The Committee is responsible for monitoring the application of this policy with respect to all Covered Directors and Covered Employees. The Committee shall have the sole authority to review, amend, interpret, construe and implement, suspend or cancel the provisions of this policy and to delegate to one or more executive officers and/or employees certain administrative and record-keeping responsibilities, as appropriate, with respect to the implementation of this policy. Each April, management shall prepare and deliver to the Committee a report on the status and compliance of Covered Directors and Covered Employees with this policy.

#### **V. Approvals**

Approved this 28 day of July, 2020.



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General Counsel

SUNNOVA ENERGY INTERNATIONAL INC.  
STOCK OWNERSHIP POLICY  
CERTIFICATE OF COMPLIANCE

The undersigned does hereby certify that he/she owns \_\_\_\_\_ shares of common stock, \$0.0001 par value per share, of Sunnova Energy International Inc. Such stock ownership meets\* the Minimum Ownership Requirement for the undersigned as set forth in the Sunnova Energy International Inc. Stock Ownership Policy (the "Policy"). Furthermore, the undersigned certifies that he/she was in compliance with the Policy from January 1 of the prior calendar year through the date hereof. The undersigned agrees to remain in compliance with provisions of the Policy after the date hereof and not to take any actions that might cause the undersigned to be in violation of the Policy.

\_\_\_\_\_ Utilize shares awarded in lieu of cash bonus or annual cash retainer

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

\* In the event of failure to meet Minimum Ownership Requirements, please provide an explanation below.

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