

CAPSTONE TURBINE CORPORATION

Corporate Governance Principles

The Board of Directors (the “Board”) of Capstone Turbine Corporation (the “Company”) adopted the following principles of corporate governance (“Principles”) on July 20, 2004. These Principles, key practices of the Board, the charters of Board committees and the Company’s other corporate governance documents and practices provide the basis for governance of the Company. These Principles address the Board’s governance role and functions and should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation, Bylaws and other corporate governance documents.

The Board will review these Principles on an annual basis or more often if deemed necessary.

Role of the Board of Directors

The Board is elected by the Company’s stockholders to, among other things, select, advise, counsel and monitor the performance of the leadership team, oversee the Chief Executive Officer (the “CEO”), assist in defining the policies, direction and goals of the Company and provide an effective corporate governance framework for the Company. The Board is the ultimate decision-making body of the Company, except with respect to those matters reserved to or shared with the stockholders.

The basic responsibility of the Board is to exercise its business judgment to act in what it believes to be the best interests of the Company and its stockholders. Each member of the Board (a “Director”) shall prepare for (including by reviewing in advance all related materials distributed to such Director) and attend Board meetings as well as the meetings of any committee on which he or she serves, ask questions and engage in discussion at such meetings and spend the time needed to properly discharge his or her duties as a Director.

The Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duties. The Board will rely on these Corporate Governance Guidelines for provide that framework.

These Corporate Governance Guidelines should be interpreted in the context of all applicable laws and regulations, the Company’s Certificate of Incorporation and Bylaws, and the charter documents of any committees of the Board. They are intended to serve as a flexible framework for the effective functioning of the Board and are subject to modification from time to time as the Board may deem appropriate, or as required by applicable law or regulation.

Director Selection and Qualifications

Directors are elected each year by the Company's stockholders at the annual meeting of the stockholders. The Director nomination process is described in full in the Company's Policy Regarding Stockholder Communications, the Director Nomination Process and Director Attendance at Annual Meetings of the Stockholders (the "Policy"). The Nominating and Corporate Governance Committee selects nominees in accordance with its charter and the Policy. The Board recommends a slate of nominees to the stockholders for election at the annual meeting.

The Company shall maintain a procedure whereby stockholders may provide recommendations for candidates for Director. Stockholders may nominate Directors in accordance with the Company's Bylaws and applicable laws.

The Nominating and Corporate Governance Committee shall review the qualifications of prospective candidates to determine whether they will make good candidates for membership on the Company's Board. This consideration includes, at a minimum, a review of the criteria for Board membership contained in the Policy.

Director Independence

At least seventy-five percent (75%) of the Board's members shall satisfy the independent requirements under the applicable rules of The Nasdaq Stock Market or any other securities exchange on which the Company's shares are traded.

Director Compensation

The form and amount of Director compensation and benefits shall be determined by the Compensation Committee and then recommended to the full Board for approval. Management shall provide an assessment of the Company's Director compensation measured against comparable companies to the Compensation Committee at least every three (3) years. Independent Directors will receive no additional compensation, in the form of consulting fees or other specific benefits, beyond that provided for service on the Board.

Regular Meetings of the Board

The Board shall hold regularly scheduled meetings at least four times a year. The Chair of the Board shall set the agenda for Board meetings but any Director may suggest items for inclusion on the agenda of any meeting. Board agendas may be supplemented and issues not listed on a meeting agenda may be raised, at any time, at a meeting by any member of the Board.

Regular Meetings of the Independent Directors

The independent Directors shall meet in executive session, without members of the Company's management present, on a regular basis, including following each regularly scheduled Board meeting, and in no event less than four (4) times per year. Although such meetings usually take place at the time of regularly scheduled Board meetings, an executive session of the independent Directors may be called at any time by the Chair of the Board, the Lead Independent Director (as applicable, as discussed below) or any of the other independent Directors. If the Chair of the Board is an independent Director, the Chair of the Board shall preside as chairperson of the Board's executive sessions of independent Directors, or if the Chair of the Board is not an independent Director, the Lead Independent Director shall preside at executive sessions of the independent Directors; provided that, if the Chair or the Lead Independent Director (as applicable) is not present at any such executive session, the independent

Directors who are present shall select one of them to preside.

Length of Board Service

In accordance with the Company's Bylaws, a Director is elected to serve a term ending on the date of the next annual meeting following the annual meeting at which the Director was elected and until a successor has been elected and qualified or the earlier of his or her resignation or removal. To ensure that the Board remains composed of highly functioning members, the Nominating and Corporate Governance Committee shall evaluate the performance of each existing Director every year before recommending his or her nomination for an additional term to the Board.

Retirement Policy; Mandatory Resignation

A Director shall not be eligible for nomination for a term that extends beyond his or her 72nd birthday. The Nominating and Corporate Governance Committee may, in appropriate circumstances, determine to grant exceptions to this policy when, in light of all the circumstances, doing so is determined to be in the best interests of the Company and its stockholders.

Management Directors are expected to resign from the Board upon termination of their employment with the Company (other than as a result of normal retirement), either effective immediately or at the next meeting of the Board following such termination of employment. Upon termination of an independent Director's primary occupation or other significant change in business or professional circumstances, such Director must offer his or her resignation to the Board effective upon acceptance by the Board. The Board will decide whether to accept such Director's resignation in its sole discretion. The Board does not believe that Directors who retire from or change the primary occupation that they held when they were first elected to the Board should necessarily leave the Board in every instance. The Board should, however, have an opportunity to review the continued appropriateness of Board membership under the circumstances.

Service on Other Boards

The Board recognizes that Directors benefit from service on the boards of other companies and it encourages such service. However, service as a Director is a significant commitment in terms of both time and responsibility, and the Board believes that it is critical that Directors have the opportunity to dedicate sufficient time to their services on the Company's Board. To that end, Directors must advise the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of another public company. In addition, Directors shall not serve on more than four (4) other public company boards while acting as an independent Director of the Company.

The Board further believes that, while the Company benefits from its senior officers serving on the boards of other companies, it is critical that the senior officers of the Company devote sufficient time and effort to their services to the Company. Accordingly, no senior officer of the Company may serve on the board of another for-profit company without obtaining the prior approval of the Board. In addition, senior officers shall not serve on more than one such board unless extenuating circumstances exist in the discretion of the Board.

Directors' Commitment

Directors must be willing to devote sufficient time, energy and attention to carrying out their duties and responsibilities effectively.

Chair of the Board

The Board's policy on the separation or combination of the roles of Chair of the Board and CEO and, if the roles are separated, as to whether the Chair shall be an independent Director is to provide flexibility to the Board to make such determinations based on circumstances that exist from time to time, recognizing that it is an issue to be considered as part of the succession planning process and that it is in the best interests of the Company for the Board to make such determinations when it elects a new CEO or upon the departure from the Board of the then-current Chair of the Board. If the Chair of the Board is the CEO or another person who is not an independent Director, the independent Directors shall designate one independent Director to serve as the "Lead Independent Director." In such case, the Lead Independent Director shall be empowered to (i) chair all meetings of the Board when the Chair is not present, (ii) call and chair executive session meetings of independent Directors, (iii) set agendas for meetings of the independent Directors with input from the other independent Directors, (iv) place items on the agendas for full Board meetings and approve Board meeting agendas, (v) call special meetings of the Board, (vi) serve as a liaison between the independent directors and the Chair and CEO, (vii) approve information sent to the Board, (viii) approve meeting schedules for the Board to assure that there is sufficient time for discussion of all agenda items, (ix) if requested by significant stockholders of the Company, be available for consultation and direct communication with such stockholders (subject to compliance with the Policy); and (viii) exercise such other rights and duties as the Board may from time to time delegate to the Lead Independent Director to assist the Board in fulfilling its responsibilities. The Chair of

the Board shall serve for such term as the Board shall determine, and the Lead Independent Director (if one has been designated) shall serve for such term as the independent directors shall determine; provided that no such term shall be set at less than one year. The identities of the Chair of the Board and the Lead Director (if one has been designated) shall be set forth in the proxy statement for the Company's annual meeting of stockholders.

Board Chair Rotation

The role of Chair of the Board, if held by an independent Director, will be rotated among the independent Directors at least once every five (5) years. In the event the Company's CEO is Chair of the Board, the role of Lead Independent Director will be rotated among the independent Directors at least once every five (5) years.

CEO Selection

The Board selects the CEO. Professional skill, experience and integrity, as well as the ability to work effectively as a team-member, among other things, are important factors in the selection of the Company's CEO.

Annual Review of CEO

To ensure that the CEO is providing the best leadership for the Company, the Compensation Committee will define a review process, which will include a full Board evaluation of the CEO on an annual basis. The Compensation Committee shall consider this evaluation when it sets the CEO's compensation.

Officers of the Company

The Board believes that the CEO should have the authority to supervise the senior officers of the Company. The Board will, however, provide counsel and oversight with respect to the evaluation, development and compensation of the Company's senior officers.

Management Succession Plan

The Compensation Committee, together with the CEO, shall maintain a succession plan for the CEO and leadership team. This plan shall be discussed with the full Board at least annually. The CEO provides an annual assessment of senior officers and their potential ability to succeed him or her as the Company's CEO.

Director Access to Officers, Employees and Information

Directors shall have full and free access to the Company's officers, employees, books and records. Independent Directors shall be free to contact senior officers or senior managers of the Company for any information. At the invitation of the Board, members of the leadership team may attend Board meetings or portions thereof for the purpose of participating in discussions. Any Director may

request the attendance at a Board meeting of any member of the Company's management.

Access to Independent Advisors

The Board and its committees shall have the right at any time to retain independent outside financial, legal or other advisors at the Company's expense.

Committees of the Board

The Board currently has the following standing committees: Audit, Compensation, and Nominating and Corporate Governance. The Board believes that this committee structure best serves the Company's current needs but the Board may establish additional committees when it deems necessary or appropriate. Each committee shall consist of no fewer than three members of the Board, with such membership determined based on each committee's charter. Management Directors may not be members of standing committees.

Each committee has a charter. The committee charters set forth each committee's purpose, composition, responsibilities and authority. The chair of each committee shall determine the frequency of committee meetings consistent with the committee's charter and the Company's needs.

Selection of Committee Members and Rotation of Committee Chairs

The Nominating and Corporate Governance Committee shall propose a list of committee assignments to the Board at the first meeting of the Board following each annual meeting of the stockholders of the Company. Although not required, the Board believes that an effort should be made to appropriately rotate committee chairs among the Directors.

Annual Board and Committee Evaluations

The Nominating and Corporate Governance Committee shall lead an annual evaluation of the Board and itself, and each other committee shall lead an annual self-evaluation. The evaluations are designed to assess whether the Board and its committees function effectively and make valuable contributions to the Company. The Company uses the evaluation process to uncover areas that are in need of improvement and as a forum for recommendations for change. A non- Board member shall review the completed evaluation forms, consolidate the responses and report findings to the Board. Proposals for change shall be made based on the results of the evaluations.

Conduct and Conflicts of Interest

The Board expects its members, as well as the Company's officers and employees, to be committed to the highest standards of honest, ethical and legal behavior. The Company's Code of Business Conduct provides guidance to all Directors, officers and employees in this regard. Each Director, officer and employee must certify, in writing, that he or she has read, understands and will adhere to the Code of Business Conduct. The Code of Business Conduct provides that it is the responsibility of every Director, officer and employee to ensure that his or her interests remain free of conflicts in

the performance of his or her duties and that he or she engages in ethical and honest conduct. Pursuant to the Code of Business Conduct, any potential or known conflict of interest must be reported as soon as recognized. Employees must promptly report violations of the Code of Business Conduct to the Corporate Ethics Manager and members of the Board and officers may contact the Audit Committee directly. A waiver of the Code of Business Conduct may be made only by the Board to the extent necessary and warranted and shall be promptly disclosed to the extent required by law or regulation of any applicable securities exchange or market.

Confidentiality

Directors must maintain the confidentiality of information entrusted to them by the Company or any other confidential information about the Company that they receive from any source in their capacity as a Director, except when disclosure is authorized by the Board or legally required. Directors are expected to take steps to minimize the risk of disclosure of confidential communications coming to them from the Company and of confidential discussions involving Directors. All discussions occurring at Board or committee meetings are presumed to be confidential to the extent disclosure of them is not authorized by the Board or legally required. Directors may not use confidential information for their own personal benefit or for the benefit of persons or entities outside the Company or in violation of any law or regulation, including insider trading laws and regulations. These responsibilities with regard to confidential information apply to Directors during and after their service on the Board. For purposes of this guideline, “confidential information” is all non-public information relating to the Company, including, without limitation, information that could be useful to competitors or otherwise harmful to the Company’s interests or objectives if disclosed. The Company’s Insider Trading Policy describes the trading restrictions imposed on any Director, as well as upon the Company’s officers and other Company personnel.

Reporting of Accounting or Auditing Concerns

The Audit Committee of the Board shall address concerns raised by employees and others about the Company’s accounting, internal controls or auditing matters. The Audit Committee has established procedures for the receipt, retention and treatment of related complaints. Employees of the Company may submit confidential, anonymous complaints regarding accounting, internal controls or auditing matters in accordance with procedures outlined in the Capstone Employee Handbook.

Stockholder Communications with the Board

The Company sees the value in open communication between stockholders and the Board. Stockholders may communicate directly with the Company’s Board or individual members of the Board in accordance with a policy established by the Board.

Director Orientation and Continuing Education

The Company will provide each new Director with materials and information about the Company reasonably necessary for a new Director to perform his or her duties. The Company familiarizes new

Directors with, among other things, the Company's business and strategic plans, significant financial, accounting and risk management issues, compliance programs, conduct codes, principal officers and auditing practices. In addition, a new Director may request additional materials or information. Any current Director may attend orientation presentations or request a copy of the written materials given to new Directors.

The Company arranges for appropriate continuing education for the Company's Directors. At a minimum, the Company will keep Directors adequately informed of changes in applicable laws, rules and regulations as well as current best practices in corporate governance.

Media Communications

The Company has a disclosure policy. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company that could result from inconsistent communications, the members of the Board agreed to abide by the Company's disclosure policy and will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Chair of the Board or the Board of Directors.

Adopted: July 20, 2004

Amended: March 24, 2009

Amended: November 10, 2010

Amended: November 16, 2011

Amended: November 13, 2013

Amended: November 17, 2020