Form **8937**

(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer							
1 Issuer's name		2 Issuer's employer identification number (EIN)					
HANNON ARMSTRONG SUSTAINABLE INFRA	46-1347456						
3 Name of contact for additional information	5 Email address of contact						
HASI INVESTOR RELATIONS	410-571-9860	INVESTORS@HANNONARMSTRONG.COM					
6 Number and street (or P.O. box if mail is not	delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact					
1906 TOWNE CENTRE BLVD., STE 370		ANNAPOLIS, MD 21401					
8 Date of action	9 Classification and description						
A							
April 2, 2019 10 CUSIP number 11 Serial number(s	4.125% CONVERTIBLE SENIOR NOTE 12 Ticker symbol	S DUE 2022 13 Account number(s)					
Ti Selia hamber	iz ficker symbol	13 Account number(s)					
41068XAB6	HASI						
	h additional statements if needed. See	back of form for additional questions.					
14 Describe the organizational action and, if a	pplicable, the date of the action or the date a	against which shareholders' ownership is measured for					
the action ► <u>SEE ATTACHED</u>							
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15 Describe the quantitative effect of the organ	nizational action on the basis of the security i	in the hands of a U.S. taxpayer as an adjustment per					
share or as a percentage of old basis ► <u>SEE ATTACHED</u>							
46 Describe the coloulation of the characteristic							
Describe the calculation of the change in ba	isis and the data that supports the calculatio	n, such as the market values of securities and the					
valuation dates ► <u>SEE ATTACHED</u>							
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Par	t II	0	rganizational Action (continued)				
17	List t			s) and subsection(s) upon which the tax tre	atment is based ▶	SEE ATTACHED	
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18	Can	any i	resulting loss be recognized? SEE AT	TACHED			
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19	Pro۱	vide a	ny other information necessary to implem	nent the adjustment, such as the reportable	e tax year ► <u>SEE A</u>	TTACHED	
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	Tu	Jnder	penalties of perjury, I declare that I have exam	nined this return, including accompanying sched	lules and statements,	and to the best of my knowledge and	
	ŀ	oelief,	it is true, correct, and complete. Declaration of	preparer (other than officer) is based on all inform	mation of which prepar	er has any knowledge.	
Sig				_		100	
Here Signature ► C \ Date ► 1/15/2						120	
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		rint y	our name ► CHARLES W. MELKO Print/Type preparer's name	Preparer's signature	Title ► SENIOR V	DTIN	
Pai			Fillio type preparer s flame			Check if self-employed	
	par		Firm's name			Firm's EIN ▶	
US	Or	піу	Firm's address >			Phone no.	
Send	Forr	ກ 89		to: Department of the Treasury, Internal Re			



Hannon Armstrong Sustainable Infrastructure Capital, Inc. Conversion Rate Adjustment on Convertible Note Deemed a Distribution Attachment to Form 8937

Consult Your Tax Advisor

Shareholders are urged to consult their own tax advisor with respect to the U.S. federal, state and local, and foreign tax consequences of the conversion rate adjustment on the convertible note deemed a distribution.

Part II - Organizational Action

Line 14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On February 21, 2019, the Board of Directors for Hannon Armstrong Sustainable Infrastructure Capital, Inc. ("Hannon") approved an increase in the quarterly cash dividend on common stock from \$0.33 to \$0.335 a share. The increase was effective with respect to the dividend payable on April 11, 2019 to common stockholders of record on April 3, 2019 (ex-dividend date of April 2, 2019). Pursuant to Section 4.04 of the First Supplemental Indenture, Dated as of August 22, 2017, 4.125% Convertible Senior Notes due 2022 (the "Convertible Notes"), the conversion rate on the Convertible Notes was increased to take into account the portion of such quarterly dividend which was in excess of 33 cents per share (the "Conversion Rate Adjustment"). Such adjustment to the conversion ratio is treated as a deemed distribution of property to the holders of the Convertible Note to which Section 301 applies by reason of Section 305(b)(2) and Section 305.

Line 15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Because there was a cash dividend declared and paid with respect to the common stock and a corresponding Conversion Rate Adjustment, such Conversion Rate Adjustment constitutes a deemed distribution of common stock with respect to each Convertible Note to which Section 301 applies. The amount of the deemed distribution with respect to each Convertible Note is the fair market value of the incremental share of common stock to which the holder of the Convertible Note is entitled by reason of the Conversion Rate Adjustment. The conversion rate increased from 36.7107 shares of Hannon common stock per Convertible Note to 36.7179 shares of Hannon common stock per Convertible Note. Based on the per common share market value of \$25.82 on the trading day immediately preceding the ex-dividend date of April 2, 2019, the fair market value of the incremental share of common stock to which a holder of a Convertible Note is entitled is \$0.1860. The basis of each Convertible Note is increased by the fair market value of the deemed distribution. (In the event and to the extent that the fair market value of the deemed distribution (\$0.1860) exceeds the allocable share of current and accumulated earnings and profits (the "excess amount"), each holder of a Convertible Note would reduce the basis of the Convertible Note by such excess amount (but not below zero), and then

increase the basis of the Convertible Note by the fair market value of the deemed distribution.)

Line 16. Describe the calculation of the change in basis and the date that supports the calculation, such as the market value of securities and valuation dates.

The amount of the deemed distribution per Convertible Note is \$0.1860. The basis of each Convertible Note is increased by \$0.1860. (In the event and to the extent the fair market value of the deemed distribution (\$0.1860) exceeds the allocable share of current and accumulated earnings and profits (the "excess amount"), each holder of a Convertible Note would reduce the basis of the Convertible Note by such excess amount (but not below zero), and then increase the basis of the Convertible Note by \$0.1860.)

Line 17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

IRC Sections 305(b)(2), 305(c), 301(c) and 301(d)

Line 18. Can any resulting loss be recognized?

No.

Line 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The reportable tax year is calendar year 2019.