Table of Contents

Derivative instruments, which are designated as hedging instruments, consist of:

In thousands	Balance sheet classification	Assets (liabilities or equity) fair value As of March 31, 2015	As of December 31, 2014
Interest rate swaps	Other long term assets and accumulated other comprehensive income	$ (5,063)	$ (4,780)

In thousands	Statement of operations classification	As of March 31, 2015	2014
Cross currency swaps	Other long term assets and accumulated other comprehensive income	$ 26,305	$ 18,183

The Company has netted these hedging instruments and they are included in other assets on the combined balance sheet.

7. Stock-based compensation

In September 2014 and in connection with the formation of SunEdison Emerging Markets Yield, Inc., the Company granted restricted stock awards and restricted stock units to various Company employees ("Participants") under a new SunEdison Emerging Markets Yield, Inc. 2014 Equity Incentive Plan. The fair value of each Participant's grant was determined by using the percentage of shares granted multiplied by the overall fair value of SunEdison's equity in the Company. The restricted stock will convert into shares of Class A common stock upon the filing of our amended and restated certification of incorporation in connection the completion of the proposed initial public offering of Class A common stock of the Corporation (the "Offering"). There were 31,350 shares issued representing a 3.135% interest in the equity of SunEdison Emerging Markets Yield, Inc. issued at a total value of $683 thousand.

In March 2015, there were 35,250 additional shares issued representing an additional 3.525% interest in the equity of TerraForm Global as of the effective date of this offering with a total value of $1.3 million.

In estimating the fair value of the restricted stock, the primary valuation considerations were an enterprise value determined from an discounted cash flow of income-based approach, using a present value of after-tax probability weighted equity cash flow of those projects we intend to include in the Offering, in a projection period extending through December 2024 and a lack of marketability discount of 10%. The discount model used the following assumptions: a time to liquidity event of 7 months; a discount rate of 13%; and volatility of 40% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of our Sponsor and the common stock of comparable publicly traded companies.

After the restricted stock converts to Class A common stock, 25% of the Class A common stock will vest on the first through fourth anniversary of the date of the initial public offering, subject to accelerated vesting upon certain events. Upon a termination of employment for any reason, any unvested shares of Class A common stock held by the terminated executive will be forfeited. As of March 31, 2015, no stock compensation expense has been recorded.