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Emeren Group Ltd

Internal Audit Policy

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1	Feb.26th.2009	Fu Yan	Added working procedures of internal audit institutions
2	Aug. 13th.2018	Chris Wang	Main contents revision/added English version
3	Oct.2023	Chris Wang	Updated the English version and the company name, revised the UFIDA system to MSD 365 system

Chapter I: General Provisions

To standardize the internal audit work of the group, enhance internal control, ensure the stable development of the group's business activities, and safeguard the interests of investors, this system is formulated in accordance with the COSO, SOX Act, and Emeren Group Ltd Articles of Association. The system applies to Emeren Group Ltd group and its subsidiaries and branches.

The goal of the Internal Audit Department is to identify problems and correct lapses in the company by supervising and inspecting the authenticity and integrity of the company's financial information and business activities to evaluate and improve the effectiveness of risk management and internal control. Issue audit reports to provide independent, objective opinions as a reference for management to resolve major issues, and controls to add value and improve the operations of the group.

Chapter II: Organization Structure and Report

Article 1 The Internal Audit Dept. should report directly to the Chairman of the Audit Committee, and administratively report to the CFO and CEO in the production of the annual audit plan, audit objectives, and audit reports for approval of the Audit Committee.

Article 2 The Internal Audit Dept. will submit the annual audit plan and audit objectives to the audit committee, CFO, and CEO at the beginning of each year. Internal audit reports should be submitted after the audit. The report covers but is not limited to financial reporting, capital management, revenue, inventory, fixed assets management, tax-related risks, investment and financing projects, related transactions, procurement, project engineering management, administration and human resources, and other SOX control points.

Article 3 A quarterly report AC meeting IA Dept should be submitted to the Audit Committee at the end of each quarter and presented to the Board of Directors.

Chapter III: Empowerment and Responsibilities

Article 1 The Internal audit department is responsible for establishing and improving the company's internal auditing system, auditing procedures, and implementation rules.

Article 2 The Internal Audit Dept. has the authorization of the audit committee to inspect and evaluate the integrity, rationality, and effectiveness of the internal control of the branch and subsidiaries.

Article 3 The Internal Audit Dept. has the right to obtain and examine all relevant information of the company including but not limited to, accounting vouchers, financial statements, tax returns, expense ledgers, authorized approval records, list of fixed assets and inventory, summary of the conference, important contracts, invoices, final acceptance documents, payroll sheet, employee files, etc. The relevant documents and information provided to the internal audit department will be treated with caution and strictly confidential.

Article 4 The Internal Audit Dept. should establish an Anti-fraud mechanism, determine the main contents of anti-fraud, and pay attention to and investigate possible and existing fraudulent practices in the internal audit process.

Article 5 The Internal Audit Dept. should conduct senior executives' departure audits according to the company's relevant system and board's requirements.

Article 6 The Internal Audit Dept. should maintain its independence in the process of formulating procedures and plans. the Internal Audit Dept. should not deliberately conceal or distort facts and report to management, and should not mitigate or increase the responsibilities of the personnel concerned. The branch, subsidiaries, and all functional departments should cooperate with the IA Dept. in performing audit duties, and should not hinder or interfere in the audit work.

Article 7 The Internal Audit Dept. should arrange the issue follow-up examination in due course, and supervise the management of branches and Subsidiaries to formulate rectification measures and time for rectification. IA Dept. Should regularly supervise the implementation and incorporate them into the annual internal audit plan.

Chapter IV Scope and Key Points of Internal Auditing

The scope of the internal audit includes:

Routine audits: Financial statements, expense compliance, amortization ratio, large amount of non-operating funds, revenue, capital financing management, budget review, internal pricing, tax risk audit, related party transaction approval, fixed asset management, project management, quality control, procurement and cost control, supply chain management, inventory management, Investment and financing audit, administration and human resources, etc.

Special audit: Anti-fraud audit, senior executives leaving audit, project completion audit, warranty review, and so on.

Main points of internal auditing:

1. Subsidiary company system construction:

(1) Review whether the internal control system of the company is sound and consistent with the direction of the management system of the Group.

(2) Focus on the inspection of the system implemented.

2. Authorized approval control:

(1) Review the company authorization system and evaluate whether it is logical.

(2) Review if there is any unapproved and exceeded authority approval phenomenon.

3. Financial management audit:

(1) Review the accuracy, authenticity, and completeness of financial information in subsidiaries, including the process of identifying, measuring, and reporting.

(2) Examine the correctness of the calculation of assets, liabilities, gains, and losses, and whether there is any phenomenon of negative or omission.

(3) Focus on auditing the consistency of capital flow, accounting information, and real business, check whether there is a large amount of abnormal payment/expenses, triangle debt relationship, and consider tax risk caused by non-standard bookkeeping.

(4) Review if the accounting policies and accounting estimates are reasonably used by the company and all economic transactions are accounted for in the appropriate accounting period.

(5) Check whether the month-end closing list general is confirmed by the ledger accountant, capital manager, and finance manager.

(6) Examine if the division of duties in financial departments is reasonable and incompatible duties are separated from each other; Check whether the cashier is concurrently responsible for auditing and bookkeeping for income and expenditure, cost, asset, and liabilities.

(7) Check whether the subsidiaries process and report accounting information timely and accurately, whether the data truly reflect the financial situation and operating results, and whether there are any major problems hidden by the subsidiary companies.

(8) Examine if operation entertainment costs, office expenses, employee welfare, and travel expenses exceed the group cost standard.

(9) Focus on the examination of any false invoices, local tax invoices, IOUs, incomplete invoices, etc.

(10) Inspect whether the cost is true, check the approval email, reimbursement application, invoice content, private car odometer, etc., and large amounts of expenses required to provide the relevant proof. Focus on checking if fraud phenomenon exists in operation entertainment cost.

(11) Review of all accounting provisional estimates and adjustments is reasonable and has complete supporting documentation.

4. Monetary fund management:

(1) Focus on reviewing the authorization and approval procedures for large amounts of fund expenditure to check if there is any approval beyond authority and weak links in the internal control of funds. IA Dept should report any anomalies to company management in a timely manner.

(2) Check the safety of bank keys, cheques, seals, bills, and financial documents.

(3) Check the validity of the cash journal and if the cash on hand exceeds the upper limit stipulated by the financial regulations.

(4) Compare invoices and contracts with bank journals, check whether there are any anomalies in the payment method, any company business payments entered into personal accounts and any receivables are inconsistent with the actual recipients, If necessary, carry out an in-depth investigation.

5. investment and financing audit:

(1) The investment should be approved by the standard examination procedures; Review if the content of the investment agreement has been approved by the Group management and if the contract was performed without exceptions.

(2) Examine whether the feasibility of major projects is fully studied and evaluated before making the investment. Analyse the risks and returns and monitor the progress of investment projects.

(3) Evaluate the risk in the investment process, whether the responsibilities of both parties are clear and reasonable, conduct due diligence on investment projects, and check whether the integrity records, enterprise qualification, operating conditions, and financial conditions of the invested party are good or not.

(4) Examine the risks in the financing process, review the pressure of repayment on cash flow after the financing lease, and propose appropriate solutions.

6. Tax risk audit:

(1) Review whether the company has any special tax-related issues and communicate with the tax bureau, whether there is a corresponding Risk-avoiding Scheme and report to the management of the group.

(2) Verify the correctness of monthly, and quarterly VAT/income tax declarations and all accounting entries relating to tax-related transactions to see if they are accurately recorded in appropriate accounting periods.

(3) Review the tax delay charge, understand the situation, and propose appropriate solutions.

(4) Review the declaration and payment of stamp duty and other taxes such as property tax and land use tax.

(5) Carry out an investigation of the matching relationship among the VAT, corporate income tax, annual sales revenue, and net profit.

(6) Examine the input VAT invoices and Tax Bureau verification list to check if all the input taxes were deducted;

(7) Check the annual income tax clearance to see if the tax adjustment is reasonable and in compliance with pre-tax deduction in tax law.

(8) Audit the accounting accuracy and completeness of the deferred tax which should be signed by the Financial manager and director.

7. Related party transaction audit:

(1) Examine if the major related party transactions have been Pre-approved by the Audit Committee and CEO in advance.

(2) Examine whether there is a signed contract or agreement for each related party transaction and ensure the compared price with market price with no exception noted to judge if RPT will encroach on the interests of listed companies.

(3) Examine whether the related party transactions involve security, mortgage, pledge, and other restrictions on transfer, and whether it involves litigation, arbitration, and other major disputes;

(4) Summarize the audited figures of all related party transactions of each quarter and report to the Audit Committee at the Board of Directors meeting.

8. Project management and engineering audit:

(1) Review of the non-standard contract has been reviewed and amended by the legal department.

(2) Review whether the major contracts have been examined and amended by the finance and legal department, then approved by the CFO and CEO.

(3) Review the project contract payment approval process: check Land certificates, Property ownership certificates, Fire control materials, Production licenses, Product qualification certificates, Safety appraisal certificates, Financial reports, Real estate verification, Electricity bills, Business licenses, Legal person ID, Owner factory building drawings/photos, Lease agreement, Access approval, etc.

(4) Examine the effectiveness of the project contract payment approval process: check construction plan, project weekly report, monthly report of Engineering materials, Sub-item acceptance record form, Construction technology documents, Completion drawings, High-voltage power supply and purchase contract, Grid-connected acceptance report, Confirmation list of supply materials, EPC contract, Load report, Design drawings, Grid-connected acceptance sheet, PPAs, dispatch agreement, and completion acceptance report.

(5) Review the contract payment approval form to see if there is approval of the Technical Director, Financial Director, Legal Director, Investment Analysis Manager, CFO, and CEO; Review the payment request information to determine if the payment terms have been met;

(6) Check the accuracy and integrity of the construction settlement vouchers in the MSD system. Ensure the income and cost of project settlement are confirmed in the correct accounting period.

(7) Examine all the engineering and project-related costs to see if they were properly capitalized.

(8) Check accounts receivable, revenue, and other operating income, review if the amount and time of settlement are in line with the rules of addition or deduction in the terms of the contract;

(9) Check prepayment and other receivables to see if the Project warranty was returned timely; Do investigation on special cases to see if the problems are properly solved: Quality problems, owner's losses caused by construction, cracks in components, and disaster losses;

(10) Examine whether the initial budget of project investment covers all possible costs, whether the project sales price forecast meets market expectations, check whether there are unreasonable expenses occur after the project is submitted for construction led to a sharp decline in IRR.

9. Procurement and cost management

(1) Review the company's procurement plan, procurement procedures, and actual usage, and evaluate whether there is wastefulness;

(2) Purchasing control: investigate the market situation, check the authenticity of the supplier's quotation, and make tripartite inquiries according to the relevant purchasing system to select the best one;

(3) Focus on verifying the loss of funds problem of favoritism fraud caused by improper behavior in the procurement process;

(4) Examine whether there are restrictive mechanisms for procurement decision-making, ensure supervisory mechanisms for procurement planning, approval, payment, and acceptance are guaranteed;

(5) Examine the necessity of component procurement and service procurement, evaluate the price and total amount, if there are abnormal situations inconsistent with the project schedule and budget, carry out investigation;

(6) Examine whether the purchase payments of overseas subsidiaries have been approved by the CEO, if there are unapproved payments, investigate the reasons, the relationship between suppliers, and management, the flow of funds, and the authenticity of the purchase.

10. Management of fixed assets:

(1) Check the acquisition, use, and disposal of fixed assets and inventory, Check the asset class, code, name, status of use and life; Review the correctness of depreciation method and residual rate, whether there is accelerated depreciation, and whether there is a impairment of fixed assets.

(2) Verify purchase contracts, invoices, and completion acceptance of new fixed assets, check whether the accounting vouchers, amount, and abstract are correct or not;

(3) Check whether there is a regular count for fixed assets and inventory by the fixed assets management and use department.

(5) Review whether the physical assets are in accordance with the bookkeeping if there are any big discrepancies caused by asset loss, damage, theft, and other circumstances, relevant staff should take responsibility and be punished by the Group's "RS-FN-FA.01 fixed assets Management Policy."

(6) Verify the internal allocation and sales approval process, the flow of fixed assets sold funds, and accounting handling.

11. Administrative and human resources audits:

(1) Judge the rationality of the organizational structure of the company and the division of responsibilities of all departments.

(2) Observe the integrity and ethics of the company's management, examine the rationality of the management behaviors and centralization of administrative authority, do investigate if there are management behaviors exceed the established control procedures;

(3) Review the employee labor contract, whether the employee file is complete and properly filed, and check the truthfulness of the employee ID card, academic degree certificate, and professional qualification certificate.

(4) Audit integrity of staff entry and exit process; review training system content, frequency, and performance appraisal implementation.

(5) Review the reasonableness of staffing, promotion, and salary adjustment.

(6) Review the competencies, professional knowledge, and skills of employees and managers.

(7) Verify the implementation of the company's reward and punishment, and review if the calculation and payment of bonus are correct and reasonable.

(8) Check whether the calculation and pay records of payroll, and employee social security were correct or not.

(9) Check the employee's annual leave and sick leave approval process, review the sickness leave, and salary deduction; check attendance records to see if there are employees who are often late, leave early, or are absent.

(10) Check whether the use or borrowing of company seals has been recorded and approved.

12. Budget management audit:

(1) Examine whether the company has established a sound budget management system and the budget should be reasonable and in line with the group business strategy and objectives;

(2) Examine whether the employee's travel expenses and project management budget are approved in advance by the management and separated with the final reimbursement and whether the budgets are in accordance with the group budget management system and procedures.

(3) Analyze the difference between budgets and actual costs then require a budget discrepancy report. The financial manager and director should explain the specific reasons and report to the group management if the difference is big.

13. Anti-fraud audit:

(1) Standardize group fraud case handling and reporting procedures, responsible for the fraud case reporting investigation and obtaining evidence, submit the Fraud Investigation Report to the management, and deal with the employees with corrupt/cheating behaviors severely.

(2) Conduct a special audit of the case which seriously violates the laws or company regulations, misappropriates the company's assets or seeks improper interests; false records, misleading statements, or major omissions in financial reports or information disclosure; management abuse of power, corruption, collusion, fraud, significant waste of company funds or resources, etc.

14. Senior Executive exit audits:

(1) Evaluate the performance of duties and economic responsibilities of senior executives above the director level; Examine whether there is any malpractice, gross negligence, or fraud.

(2) If the company's economic losses are caused by the executives, the compensations are required. The employee will be handed over to the Bureau of Public Security if there is a serious violation of the law.

(3) Issue a special Senior Executive exit audit report to the management after the senior executive exit audit.

In addition to all the above, the IA Dept should carry out other audit work arrangements from the Audit Committee, CFO, and CEO.

Chapter V Working procedures of Internal Audit institutions

Article 1 The internal audit department should formulate the annual audit objectives, and plans according to the strategy of the group management and the actual situation of the company, which should be implemented after the approval of the audit committee. The internal audit department formulates the detailed schedule according to the approved internal audit work plan and arranges the audit business implementation.

Article 2 The Audit Department should give the Audit Notice to the audited one week in advance, however, the special audit can be delivered in real-time if unethical or illegal activity is suspected. The responsible person should arrange for the preparation of relevant materials and provide the necessary working conditions.

Article 3 If the internal audit department finds there are major anomalies that may or have suffered significant losses should immediately report to the board of directors and the management of the group.

Article 4 The internal audit department should identify the main existing deficiencies of internal control, and then propose audit recommendations. The relevant responsible person should respond to corrective measures to audit matters in time, including the cause of the problem, and when and how to improve the situation.

Article 5 After confirming the audit communication reply form, the internal audit department should assess the risk of material weakness that may result from fraud or mistake, evaluate whether the financial statements fairly reflect all transactions and matters, propose risk aversion plans, and submit the internal audit report to the board of directors and the audit committee.

Article 6 The internal audit Dept. should regularly supervise the completion of the rectification and trace relevant important matters to evaluate the effectiveness of the implementation, and report the rectification situation to the management of the group.

Article 7 The Internal Audit Dept. should organize and keep the audit manuscripts and audit reports in a unified manner. Audit manuscripts and audit reports should be used as essential documents of the company and not be disclosed to any other institution or individual. If so, will be processed according to the terms of the company's confidentiality agreement.

Chapter VI Code of Ethics

Article 1 Employees of the Internal Audit Dept. should comply with CIA regulations: be impartial, objective, diligent, responsible, honest, and confidential.

Article 2 Employees of the Internal Audit Dept. should remain loyal to the company, and refuse to participate in activities that violate the company's system and affect the independence and impartiality of internal audit.

Article 3 Employees of the Internal Audit Dept. should not accept any gifts and unconventional business hospitality from the audited unit.

Article 4 Employees of the Internal Audit Dept. should use the information obtained in the course of their work with caution and strictly prohibit the use of any confidential information for the benefit of any organization or individual or for acts harmful to the interests of the company.

Article 5 Employees of the Internal Audit Dept. should obtain sufficient and conclusive evidence to support the findings of the audit report. The contents, time, and sources of audit evidence should be recorded in the working paper. The important facts obtained should be fully disclosed in the audit report, especially for false accounting records, transfer of assets, corruption, favoritism, and illegal practices.

Article 6 Members of the Internal Audit Department should have professional competence in auditing business, professional knowledge in auditing, financial management, procurement, engineering management, and human resources, familiarity with SOX act, US GAAP, and internal audit procedures, familiarity with the relevant laws, regulations, company system and business model of the company. The internal audit department should strive to continuously improve proficiency and better serve the management level.

Chapter VII Supplementary provisions

This system should come into effect from the date of approval by the board of directors and audit committee, the internal audit department has the right to modification and interpretation.

Emeren Group Ltd.

内部审计制度

第一章 总则

为规范集团内部审计工作，加强内部控制，保障集团经营活动稳定健康的发展，维护投资者的利益，根据COSO、US GAAP与SOX法案结合集团实际情况制定本制度。本制度适用于Emeren Group Ltd集团公司及下属各分子公司。

内审部的目标是通过对公司财务信息、经营活动的真实性和完整性进行监督检查，发现并识别公司的经营风险与内部控制缺陷，提出积极的审计建议及风险规避方案，出具审计报告作为管理层决议重大事项的参考，发挥内部审计在完善集团治理的作用。

第二章 组织结构及报告

第一条 内审部在业务上应向审计委员会主席报告，在行政上向集团CEO、CFO报告。

第二条 每年初将向审计委员会、CFO、CEO递交年度内部审计计划和审计目标。审计工作完成时，应提交详实的内部审计报告。审计报告内容包括但不限于计划的执行情况、被审计公司的财报、资金管理、收入、存货、固定资产管理、涉税风险、投融资项目、关联交易、采购、项目工程管理、行政及人力资源等各项SOX控制点。

第三条 在每个季度结束后，向审计委员会提交季度审计工作报告AC meeting Report并AC会议上进行陈述。

第三章 授权和职责

第一条 内审部负责建立和完善公司内部审计制度、审计程序与实施细则。

第二条 内审部有权在董事会及审计委员会的授权下，对集团各分子公司以及具有重大影响的参股公司内部控制的完整性、合理性、有效性进行检查和评估，确保分子公司在集团管理层有效的内部控制内。

第三条 内审部有权取得并审阅公司所有相关资料，包括但不限于公司制度、会计凭证、财务报表、税务资料、授权审批记录、存货、固定资产清单及盘点表、会议纪要、各类重大合同、采购订单、入库单、竣工验收资料、施工方案、项目IRR报告、工资表、员工档案等。提供给内审部的相关文档和信息将被谨慎对待、严格保密。

第四条 内审部应协助建立健全反舞弊机制，确定反舞弊的关键环节和主要内容，并在内部审计过程中合理关注及查处舞弊行为。

第五条 内审部应根据公司相关制度和董事会要求进行高管离任审计。

第六条 内审部在制定审计计划及实施审计程序的过程中应保持独立，不得故意隐瞒或歪曲事实并向上级汇报，不得减轻或增加审计事项相关人员应承担的责任。

第七条 内审部是在公司董事会及审计委员会领导下独立行使职权、对下属公司实施定期检查和评价职能部门。公司各职能部门、分子公司及具有重大影响的参股公司应当配合内审部履行审计职责，不得妨碍及干涉内审部的工作。

第八条 内审部应当适时安排后续审查工作，对审计过程中发现的内部控制缺陷，应督促相关责任部门制定整改措施和整改时间并载入审计报告，内审部应定期检查整改落实情况并纳入年度内部审计工作计划。

第四章 内部审计范围及审计核查重点

内部审计主要范围：

常规审计：会计信息质量、财务报表、费用合规性及摊销比例、大额非经营性资金往来、销售收入审计、投资融资管理、预算审计、内部定价、税务风险稽查、关联交易审批、固定资产及存货管理审计、项目管理审计、工程审计、采购及成本控制、供应链管理、行政及人力资源等。

专项审计：反舞弊审计、高管离任审计、担保审查、国内外重要项目开发前尽调、项目竣工结算审计等。内审部可以根据公司所处行业及生产经营特点，对上述业务环节进行调整，最大限度的识别风险，维护公司利益。

内部审计的核查重点：

1、子公司制度建设：

- (1) 审查公司的各项内控制度是否健全并与集团管理制度方向一致。
- (2) 重点审查制度是否得到有效执行。

2、授权体系管理：

- (1) 审查公司的授权审批体系，评价其是否符合逻辑及公司制度。
- (2) 检查合同支付及无合同支付中是否有越权审批及未审批的现象，如有，严肃处理。

3、财务管理审计：

(1) 审查分子公司财务信息的准确性、真实性、完整性，包括如何确认、计量和报告这些信息的过程；

(2) 审查资产、负债、损益各科目核算等是否正确，有无反记、漏记现象。

(3) 重点审核资金流、信息流、业务流是否匹配，是否存在大额异常的支出以及异常收入、费用、三角债关系等，考虑不合规会计处理导致的税务风险。

(4) 审查公司使用的会计政策与会计估计是否合理，是否所有的经济业务都被计入适当的会计期间。

(5) 检查月末关账清单是否完整，有无总账会计、资金经理和财务总监确认。

(6) 审查财务部门岗位职责分工、ERP系统权限是否合理，不相容职务是否相分离；核查出纳是否兼任稽核、会计档案保管、收入支出、成本费用、债权债务的登记；

(7) 审查子公司账务处理及上报数据是否及时准确，是否真实地反映财务状况和经营成果，有无子公司隐匿重大问题、虚报财务数据等现象。

(8) 审核交际应酬费、办公费用、员工福利费、服务费、差旅费等各项开支是否符合集团费用报销制度的标准。

(9) 重点审查有无虚假发票、超过汇算清缴期限的发票、地税发票、白条抵库、收据入账、无发票章或缺等不合规发票。

(10) 重点稽核费用发生是否真实，对照审批邮件、报销明细表、发票内容、出差日期、私车公用里程表等，大额费用要求对方提供相关证明。重点核查业务招待费有无徇私舞弊、以权谋私等现象。

(11) 审查所有会计暂估及调整是否合理并有正确、完整的支撑性文件。

4、货币资金管理：

(1) 重点关注大额货币资金支出的授权批准手续是否健全，是否存在越权审批行为，货币资金内部控制是否存在薄弱环节等，发现异常应及时向公司管理层汇报。

(2) 检查财务室保险柜、门窗、用印、票据及其他资料是否安全；

(3) 检查现金日记账，对库存现金现场进行盘点，判断货币资金是否做到日清月结，库存现金是否超过财务制度规定的上限。

(4) 比对发票、合同与现金日记账、银行存款日记账，核查公司收付款方式有无异常，是否存在对公业务打入个人账户、应收款单位与实际收款单位不一致情况，如有需深入了解实际情况。

5、投融资审计：

(1) 审查对外投资是否按照有关规定履行审批程序；是否按照审批内容订立合同，合同是否正常履行。

(2) 审查投资前是否充分研究和评估了重大项目的可行性，分析投资风险和投资收益，并跟踪监督重大投资项目的进展情况。

(3) 审查投资过程中存在的各项风险，双方的责任是否明确合理，审查是否有担保，对投资项目展开尽职调查，查看对手的诚信记录、企业资质、经营状况和财务状况是否良好。

(4) 审查在项目融资中的各项风险，判断融资租赁后还款对资金流产生的压力，提出适当的解决方案。

6、税务管理审计：

(1) 审查公司是否出现特殊涉税事项并与税务局进行沟通，是否有相应的税务风险规避方案，是否上报集团管理层；

(2) 核查月度、季度增值税、所得税纳税申报及会计记账的正确性；审查所有涉税交易事项相关的会计分录是否被准确的记录在适当的会计期间；

(3) 审查税收滞纳金及缴纳情况，了解情况并提出适当的解决方案；

(4) 审查印花税的计提及缴纳情况，审查其他税种如房产税、土地使用税的纳税申报及记账的准确性；

(5) 核查增值税、所得税、年销售额及净利润的配比关系是否合理；

(6) 审查增值税专用发票的归档情况，有无应抵扣而未抵扣的进项税发票联，有无进项税额损失；

(7) 检查所得税汇算清缴是否正确，纳税调整是否合理、符合税前列支的规定；

(8) 审核递延税核算的准确性、完整性，是否符合美国会计准则，有无财务经理、财务总监审批。

7、关联交易审核：

(1) 在重大关联交易事项发生前,审查关联交易的审批程序及金额是否符合《Emeren集团关联交易制度》的标准,重大关联交易是否经过审计委员会及CEO的事前审批;

(2) 审查关联交易是否签订书面合同或协议,双方的权利义务及法律责任是否明确;审查关联交易定价是否公允,关联交易是否会侵占上市公司利益;

(3) 审查关联交易有无涉及担保、抵押、质押及其他限制转让的情况,是否涉及诉讼、仲裁及其他重大争议事项;

(4) 每季度审定集团所有关联交易并汇总,在董事会会议上向审计委员会报告。

8、项目管理及工程审计:

(1) 审查非标准合同是否经过律师审查;重大合同在签订盖章前是否经过财务、法务的修订、审核并按审查意见修订。

(2) 检查各相关授权人的合同审批情况,检查重大合同是否经过CFO及CEO的审批及CEO的签字;

(3) 审查支付前是否符合项目前期合同支付审批管理流程:抽查土地证、房产证、三证一消防、财务报告、房产查册信息、电费账单、营业执照、法人身份证、业主厂房图纸/照片、《租赁协议》、《备案证》、《接入审批》等资料否齐全;

(4) 审查工程合同支付审批管理流程是否有效执行:抽查施工计划、项目周报、工程物资月报表、分项验收记录表、施工技术资料、竣工图纸、高压供用电购电合同、《并网验收意见单》、《甲供物资清查确认表》、EPC合同原件、荷载报告、设计图纸、并网验收单、购售电合同、调度协议、竣工验收报告等并网验收原件是否齐全;

(5) 审查OA合同审批流程是否有技术总监、财务总监、法务总监、投资分析经理、CFO、CEO的审批;审核请款资料,是否已满足付款条件;

(6) 检查MSD365系统施工结算凭证的会计科目、借贷金额是否正确、摘要是否完整。审查工程结算成本、收入、费用是否确认在正确的会计期间内;

(7) 检查所有工程项目有关符合资本化条件的费用是否进行了正确的资本化;

(8) 核对应收账款、主营业务收入、其他业务收入科目,核对结算金额、时间,与合同条款中明确追加合同金额,扣款的规则是否一致;

(9) 检查预付账款及其他应收款,审查项目质保金的退回是否及时,特殊情况如施工质量问题、施工造成业主损失、组件隐裂、灾害损失等是否进行了及时处理;

(10) 审查项目投资初期预算是否涵盖所有可能发生的费用,是否过于激进,项目出售价格预测是否符合市场预期,项目实际回报率是否达到当初项目过审的IRR,有无在项目报建后发生各项不合理的费用。

9、采购及成本管理:

(1) 审查公司采购计划、采购程序与实际使用情况,评价其是否存在浪费的现象;

(2) 采购控制:调研采购时点市场行情,抽取供应商报价单检查询价的真实性,是否根据相关采购制度进行三方询价,择优选择;

(3) 重点核查在采购过程中因不正当行为导致集团资金流失、徇私舞弊的问题;

(4) 审查采购决策权有无制约机制,采购计划、审批、付款、验收各环节的相互制约和监督机制是否得到保障;

(5) 审查组件采购及服务采购的必要性,发生额是否过高,是否有与项目进度及预算不符的异常情况;

(6) 审查海外子公司采购付款是否经过集团CEO的审批,如有未经审批的付款,需对原因、供应商与管理层的关系、资金流向及采购的真实性进行彻查。

10、固定资产管理:

(1) 核查固定资产及存货等的取得、保管、领用、发出、处理等关键控制点；核查MSD系统控制固定资产卡片的资产类别、资产编码、资产名称、使用状况、使用年限、折旧方法、残值率等是否正确,有无加速折旧, 有无固定资产减值；

(2) 核查固定资产新增凭证：固定资产采购合同、入库单、《工程竣工验收报告》、发票，检查固定资产新增的会计凭证、借贷金额是否正确、摘要是否完整；

(3) 核查固定资产管理部门、固定资产使用部门、财务部是否定期盘点，并形成《固定资产盘点报告》；

(4) 盘查实物资产是否账实一致，如有账实不符、资产、存货丢失、损毁、被盗等情况应问责相关人员并按照集团《RS-FN-FA.01 固定资产管理制度》进行追责及处罚；

(5) 核查固定资产内部调拨、变卖审批流程：核查固定资产处置资金流向及会计处理。在MSD系统内检查固定资产处置凭证的会计科目、借贷金额是否正确、摘要是否正确完整。

11、行政及人力资源审计：

(1) 审查公司组织架构、各岗位职责划分的合理性；

(2) 对公司管理层的诚信原则及职业道德进行观察；审查管理人员行为的合理性、管理权限的集中程度，审查管理层有无逾越既定控制程序的现象及其态度；

(3) 审查员工劳动合同、员工档案是否完整并妥善归档，员工身份证、学历学位证书及相关职业资格证书等是否真实；(4) 审核员工入离职流程是否完整；审查培训制度、绩效考核的执行情况；审查人员编制的合理性，员工薪资核定、转正及调薪的流程审批是否完整；

(6) 审查员工及各层管理人员的能力、专业知识及技能、重要岗位人员的权责匹配程度、员工对企业文化的理解和认同程度；

(7) 核实公司奖惩制度的执行情况，奖罚单的真实性及公平性，审查奖金计算及发放是否正确合理；

(8) 审查工资核算及发放是否正确，员工社保、公积金缴纳是否合规，有无替非本公司员工代缴社保的情况，要求说明原因；

(9) 核查员工年假、病事假审批流程，病事假工资是否在工资表中进行相应扣除；检查每月考勤情况，有无员工经常迟到、早退、旷工；

(10) 核查公司印章使用或外借时是否有填写《印章使用或外借申请表》并得到上级审批。

12、预算管理审计：

(1) 审查公司是否建立完善的预算管理体系，预算编制是否在合理范围并符合集团发展方向与经营目标；

(2) 审查员工的差旅费、项目管理预算是否得到到管理层的事前审批，预算与决算是否相分离，预算的执行是否符合集团预算管理制度；

(3) 分析预算与实际的差异，形成预算管理差异报告，如差异较大要求财务经理、财务总监分析具体原因并汇报集团管理层。

13、反舞弊审计：

(1) 规范集团舞弊案件的举报、处理与报告程序，负责对事件的举报进行调查取证，提交核查报告汇报管理层，对舞弊案件进行严肃处理；

(2) 对严重违反国家法律法规、公司制度，侵占、挪用公司资产，牟取不当利益；在财务报告和信息披露等方面存在虚假记载、误导性陈述或者重大遗漏；高级管理人员滥用职权、腐败、串通舞弊，严重浪费等损害公司利益的行为进行专案审计。

14、高管离任审计：

(1) 对总监级以上高管在职期间的履行职责情况、经济责任进行评价，审查其有无管理失职、重大过失及舞弊现象。

(2) 如造成公司经济损失，要求其对公司进行赔偿，存在严重违法及经济犯罪的，经集团高层讨论后移交公安机关处理。

(3) 高管离任审计完成后，出具专项报告汇报管理层。

3、执行审计委员会、首席执行官及首席财务官的其他审计安排。

第五章 内部审计机构工作程序

第一条 内审部应根据集团经营战略目标，结合公司实际情况，制定年度审计目标、审计计划及工作方案，经审计委员会批准组织后实施。内审部依据批准的内部审计工作计划制定详细的时间表，组织安排审计业务的具体实施。

第二条 审计部应当提前一个星期把审计通知书送达被审单位负责人，特殊审计业务可实施审计时送达，被审单位管理层及有关部门负责人应积极安排准备好相关的资料，并配合提供必要的工作条件。

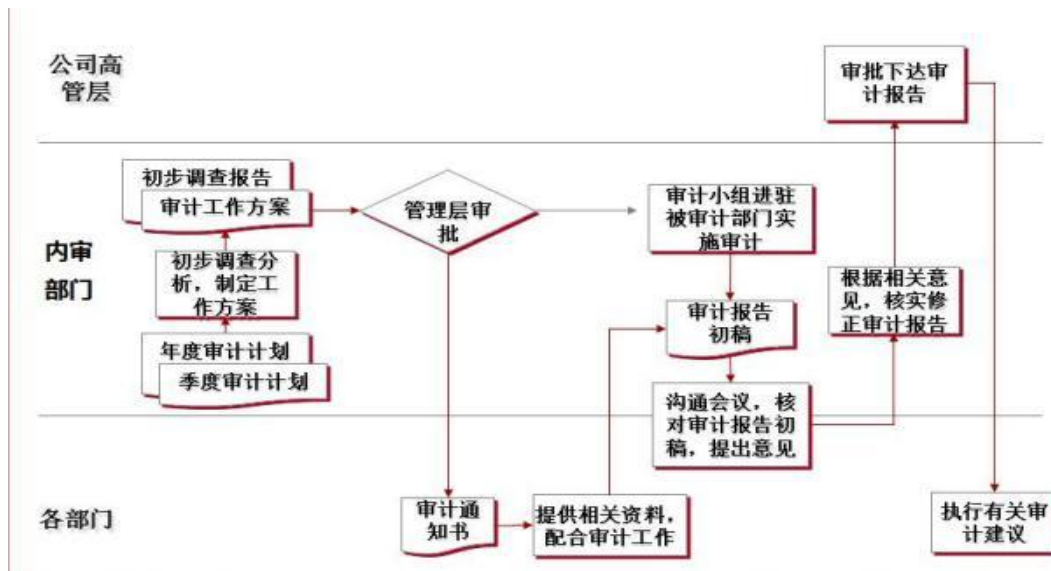
第三条 内审部如发现公司存在重大异常情况，可能或者已经遭受重大损失时，应当立即报告董事会及集团管理层。

第四条 内部审计工作完成后，内审部应识别公司现有财务管理、内部控制的主要缺陷，整理审计事项，发表审计建议并编制审计沟通回复表。被审单位相关负责人收到审计沟通回复表后应及时予以回复，回复内容应包括发生问题的原因、整改的具体措施及整改完成的时间。

第五条 确认审计沟通回复表后，内审部应评估可能由于舞弊或错误导致的重大错报风险，评价财务报表是否公允反映各项交易和事项，提出风险规避方案，出具内部审计报告报送集团HRVP、CFO、CEO，并在每个季度的董事会上报告审计委员会。

第六条 内部审计应定期复查被审单位的整改完成情况，监督其进行落实，并对有关重要事项进行延伸及追溯，以确定集团内部控制执行的有效性，将整改完成情况汇报集团管理层。

第七条 审计项目结束后，审计人员应对审计底稿及审计报告进行统一整理、归档并妥善保管。审计底稿与审计报告应作为公司机要文件，不得泄露给汇报对象之外的任何机构和个人。如有则按公司保密协议的条款进行处理。



第六章 道德规范准则

第一条 内审部员工职业行为须遵照国际内审协会所颁布的道德规范准则，应诚实正直、公正客观、勤勉负责、廉洁奉公、保守秘密。

第二条 内审部员工应对公司保持忠诚，拒绝参与违反公司制度及影响内部审计独立性及公正判断的活动，同时应向管理层汇报。

第三条 内审部成员不得接受被审计单位的任何礼品及非常规业务招待。

第四条 内审部成员应谨慎使用在工作中所获得的信息，严禁将任何保密信息用于为任何机构及个人牟利，或用于有害公司利益的行为。

第五条 内审部成员应当尽职地获取充分、确凿的证据来支持审计报告中的结论。应当将审计证据的内容、来源、时间等完整地记录在工作底稿中。

第六条 应当在审计报告中完整披露所获取的重要事实，尤其是虚假记载、资产转移、职务侵占、徇私舞弊及违法行为。

第七条 内审部成员对审计业务应具备专业胜任能力，应具有审计、财务管理、采购、工程管理、人力资源等相关专业理论知识，熟悉SOX法案、US GAAP及内部审计程序，熟悉相应的法律法规及公司制度，熟悉公司业务模式。内审部应致力于持续提高内部审计业务的熟练度，更好的服务于管理层。

第七章 附则

本制度自公司审计委员会审议通过之日起施行，由内审部负责解释与修订。