

File name	Related Party Transaction Management Policy		
Document No.	EM-ELC-RT ·01	Version	2023A
Preparation	IC Department	Organization	Emeren Group Ltd
Management Dept.	IC Department	Effective date	2023.10

File No : EM-ELC-RT.01

# Emeren Group Ltd

## Related Party Transaction Management Policy

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Approval: \_\_\_\_\_ Board of Directors/Group CEO *Guimin Liu*

Date: \_\_\_\_\_ 2023.10

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## 1 Purpose

The purpose of the policy is to regulate related party transactions between Emeren Group Ltd (and its subsidiaries) and related parties. Safeguard the rights and interests of shareholders and creditors of the company, especially the rights and interests of medium- small investors. Ensure that the related party transaction contracts concluded between the company and the related parties are in accordance with the principles of fairness and openness. This policy is developed in accordance with the requirements of relevant laws and regulations, and articles of association of the company.

## 2 Principle of related party transactions

The related party transactions should follow the principles of honesty, credit, equality, voluntary, openness, and fairness. Safeguard the interests of the company, and all shareholders, especially medium and small shareholders.

The price of the related party transactions should follow the principle of market price. If there is no market price, the price of the related party transaction should accord to the negotiated price. Trading parties should determine the pricing method according to the specific circumstances of the related party transaction. And make clear in related party transaction agreements.

## 3 Scope

### 3.1 Scope of organization

This policy applies to the company and its subsidiaries. Related party transactions between subsidiaries of the company are deemed to be acts of the company, and their related party transactions should follow the regulation of this policy. However, this policy does not apply to business transactions between the company and its subsidiaries (within the scope of consolidated statements).

### 3.2 Scope of application

Related party transactions in this policy refer to the transfer of resources or obligations between the company or its subsidiary and its related parties, including:

Purchase or sale of assets;

Investment (including entrusted financing, entrusted loans, etc.) Provide guaranty;

Rent or lease assets;

Signing management contracts (including entrustment, trustee, etc.);

Gift or receive assets;

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Creditor's rights or debt recombination;

Transfer of research and development projects;

Signing a license agreement;

Purchase of materials, power, and fuel;

Sales of products and commodities;

Providing or receiving services;

Entrustment sales or entrusted sales;

Joint investment;

Other matters that may cause resources or obligations to be transferred;

Other matters identified by the Audit Committee in connection with related party transactions.

## 4 Definition

### 4.1 Related Transaction

Related party transactions refer to transactions between a company or its holding subsidiary and a related party directly or indirectly in possession of an interest in the company.

### 4.2 Related Party

The related party means one party controls, jointly controls, or exerts significant influence on the other party, and that both or more parties are jointly controlled, or significantly affected.

### 4.3 Senior Executives

Senior Executives refer to directors and above-level Executives.

## 5 Responsibility

The policy is managed and implemented by the internal control department. Relevant departments and persons comply with and execute the policy.

## 6 Management Policy

### 6.1 Declaration and Avoidance Management

#### 6.1.1 Declaration Management of Related Party Transactions

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Senior executives need to declare to the audit committee the related parties they own. The newly recruited senior executives should sign another "Informed Confirmation" when signing the labor contract to confirm that they are aware of this requirement.

## 6.1.2 Avoidance management of related party transaction

Senior executives can recommend potential suppliers in the process of introducing suppliers. However, they should avoid the process of supplier selection, price decisions, and supplier assessments.

If the senior executive didn't declare the related relationship voluntarily, or avoid the process of supplier selection, price decision, and supplier assessments, the company could terminate the employment relationship with the senior executive. The company has the right to recover unjust enrichment from related party transactions.

## 6.2 Approval of Related Party Transaction

6.2.1 All single purchase-sale related party transactions that are less than 5 million USD, and the contracts for borrowing funds from related parties, should be approved by the CEO of the company.

6.2.2 When the related party belongs to the CEO, all single purchase-sale related party transactions of less than 5 million USD and the contracts for borrowing funds from the related party should be approved by the Group Tax Manager, Group IC Manager, and CFO of the company.

6.2.3 The IA department should submit a quarterly declaration of the details of the related party transactions and obtain the final approval of the Audit Committee.

But for the following types of related party transactions, as major related party transactions should be approved by the audit committee beforehand:

- 1) All single purchase-sales related party transactions that are more than 5 million USD.
- 2) All contracts of fund lending to related parties.
- 3) All contracts of assets purchase or sale to related parties.

## 6.3 Information disclosure of related party transactions

The disclosure of related party transactions shall be carried out in accordance with the relevant provisions of the New York Stock Exchange and FASB57 issued by the Financial Accounting Standards Boards of the United States and the relevant documents should be submitted.

## 7 Reference

### 7.1 Authorization Management Policy

## 8 Record

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## 8.1 FM.EM-ELC-RT.01.01 Informed Confirmation Letter

### Informed Confirmation

Name: \_\_\_\_\_, ID NO. (Passport NO.) \_\_\_\_\_,

Position: \_\_\_\_\_, I have read the Emeren Group's related transaction management policy carefully, and know the regulations about the disclosure and declaration of related party transactions. Including but not limited to:

1) Declaration management of related party transactions

Senior executives need to declare to the audit committee the related parties they own. The newly recruited senior executives should sign another "Informed Confirmation" when signing the labor contract to confirm that they are aware of this requirement.

2) Avoidance management of related party transaction

Senior executives can recommend potential suppliers in the process of introducing suppliers. But they should avoid in the process of supplier selection, price decision and supplier assessments.

3) If the senior executive didn't declare related relationship voluntarily, or avoid in the process of supplier selection, price decision and supplier assessments, the company could terminate the employment relationship with the senior executive. The company has the right to recover unjust enrichment from related party transaction.

I'm willing to comply with all the rules and regulations including the declaration of the related parties I have.

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

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