

PRIVILEGED AND CONFIDENTIAL

MEMORANDUM

Date: 3/31/2026

To: SnapNrack, Inc.
775 Fiero Lane
San Luis Obispo, CA 93401

From: Heather Cooper
John Zhang
(McDermott Will & Schulte LLP)

Re: SnapNrack Products Compliance Under the Prohibited Foreign Entity Rules of the Code

We have acted as counsel to SNR Solar LLC, a Delaware limited liability company (“**SNR Solar**”), an affiliate of SnapNrack, Inc. a California corporation (“**SnapNrack**”), in connection with the development and production of certain fastener and rail products contemplated for compliance under the prohibited foreign entity provisions pursuant to Sections 7701(a)(51) and 7701(a)(52) (the “**PFE Rules**”).¹

For the reasons described below, this memorandum (“**Memorandum**”) concludes that for purposes of the PFE Rules, those certain fastener and rail products referred to hereinafter as the 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product (each as defined further below, and collectively, the “**SnapNrack Products**”):

1. Should not be treated as produced or manufactured by a PFE (as defined further below) within the meaning of the Material Assistance Prong (as defined further below); and
2. Should not be treated as being associated with a contract, agreement, or other arrangement that would grant an SFE (as defined further below) (or any entity related to such SFE) the right to exercise effective control over the applicable qualified facility or energy storage technology in which a SnapNrack Product would be incorporated within the meaning of the Effective Control Prong (as defined further below).²

In support of our Memorandum, we have examined the following document (the “**Reviewed Document**”):

¹ All “Section” references are to the United States Internal Revenue Code of 1986, as amended (the “**Code**”). References to the “Treasury” are to the U.S. Department of the Treasury and references to the “Service” or “IRS” are to the Internal Revenue Service. For ease of reference, authority vested in the “Secretary” or “Commissioner” is referred to as that of the “Service” herein because the Service is the agency that exercises the relevant authority.

² This Memorandum is not a tax opinion. The words “will,” “should,” “more likely than not” or any other related or similar terms that appear in this Memorandum do not reflect an opinion comfort level.

1. An excel spreadsheet prepared by SnapNrack titled “Foreign Entity Compliance RFI Template – Revised 8-11-2025.xlsx”, detailing the summary of diligence conclusions for each SnapNrack Product under the PFE Rules.

I. FACTUAL BACKGROUND

A. Company Overview

SnapNrack is a leading designer, manufacturer, and supplier of a broad portfolio of mounting hardware for renewable electricity generation projects.

Through its manufacturing operations, SnapNrack engages in the production of mounting solutions for composition shingles, metal, tile, flat and pitched roofs, and residential ground mount systems. In pertinent part, the product line consists of fastener and rail components.

For ease of discussion, this Memorandum refers to certain of those fastener and rail components in the collective as SnapNrack Products, as set forth in Annex I of that certain SnapNrack FEOC Reliance Letter, dated October 29, 2025, attached hereto as Appendix A.

B. SnapNrack Products

1. Overview of the SnapNrack Products

The SnapNrack Products with SKU Nos. 232-02536-USA, 232-02542-USA, 232-10097-USA, 232-10095-USA, 232-10130-USA, 232-10096-USA, 232-02492-USA, and 232-02493-USA are manufactured by entities organized under the laws of the United States, India, Indonesia, Cambodia, or Sri Lanka, and manufactured in such countries.

The SnapNrack Products with SKU Nos. 242-02071-USA, 242-02073-USA, and 242-02155-USA, are manufactured by entities organized under the laws of the United States, Taiwan, or Vietnam, and manufactured in such countries.

The SnapNrack Products with SKU Nos. 242-02215-USA, 242-01213-USA, 242-01214-USA, 232-02494, 5, 6, 7 & 2532-USA are manufactured by entities organized under the laws of the United States or India, and manufactured in such countries.

The SnapNrack Products with the SKU No. 242-10034-USA are manufactured by entities organized under the laws of the United States and manufactured in such country.

The SnapNrack Products with the SKU No. 242-02151-USA are manufactured by entities organized under the laws of the United States or Taiwan, and manufactured in such countries (the foregoing, collectively, the “**2025 SnapNrack Products**”).

Beginning on or after January 1, 2026, the SnapNrack Products with the SKU # 242-02156-USA will be manufactured by entities organized under the laws of the United States or India, and manufactured in such countries (the “**2026 SnapNrack Product**”).

2. Overview of SnapNrack’s FEOC Diligence Methodology

As a threshold matter, SnapNrack performs its own internal diligence to ensure SnapNrack (and any relevant affiliates as it may relate to a SnapNrack Product with respect to a Customer) is not a PFE.

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For each SnapNrack Product, SnapNrack conducts a two-pronged inquiry to assess whether the manufacturer:

- (i) is a PFE (the “**PFE Inquiry**”), and
- (ii) solely to the extent the manufacturer is deemed an SFE and is a manufacturer to which one or more payments would be made by the end purchaser of a SnapNrack Product (a “**Customer**”); whether such manufacturer has an unrestricted contractual right (including with respect to licensing agreements for the provision of intellectual property) that would allow such manufacturer to exert specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage technology (the latter two property in which a SnapNrack Product may be incorporated) which are not included in the measures of control through authority, ownership, or debt held described in Sections 7701(a)(51)(D)(i)(I)(aa)-(dd) (the “**Effective Control Inquiry**”, and together with the PFE Inquiry, the “**FEOC Diligence Methodology**”).

a. The PFE Inquiry

To determine whether the manufacturer of a SnapNrack Product is a PFE, the PFE Inquiry first assesses whether the manufacturer is an SFE, and if not, whether the manufacturer is an FIE.

To determine whether the manufacturer is an SFE, SnapNrack sources and diligences all substantiating documentation as necessary from the manufacturer to assess whether such manufacturer is described in any of the prescribed SFE categories pursuant to Section 7701(a)(51)(B); that is, whether the manufacturer is a FEOC SFE, a Chinese Military Company SFE, a UAR SFE, an NDA SFE, or a Foreign Controlled Entity, each as defined further below.

If the foregoing answers to the above are in the negative, SnapNrack sources and diligences all substantiating documentation as necessary from the manufacturer to assess whether such manufacturer is an FIE. For these purposes, SnapNrack reviews the documentation to determine whether the manufacturer is an entity, with respect to which, during the tax year:

- an SFE has the direct authority to appoint a covered officer;
- a single SFE owns at least 25 percent;
- one or more SFEs own in the aggregate at least 40 percent;
- at least 15 percent of such manufacturer’s debt has been issued, in the aggregate, to one or more SFEs; or
- during the previous tax year, made a payment to an SFE pursuant to a contract, agreement, or other arrangement which would entitle such SFE (or an entity related to such SFE) to

exercise “effective control” within the meaning of Section 7701(a)(51)(D)(i)(II) over a qualified facility, energy storage technology, or eligible component in which a SnapNrack Product would be incorporated.

For the above purposes, SnapNrack assesses each manufacturer as of the immediate date such determination is made.³

If the answers to the above are in the negative, SnapNrack determines that the manufacturer is not a PFE for purposes of the PFE Inquiry.

b. The Effective Control Inquiry

As previously discussed, the Effective Control Inquiry queries whether the manufacturer, if deemed an SFE and to which one or more payments would be made by the Customer, would have an unrestricted contractual right (including with respect to licensing agreements for the provision of intellectual property) that would allow it to exert specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage technology (the latter two property in which a SnapNrack Product may be incorporated) which are not included in the measures of control through authority, ownership, or debt held as described in Sections 7701(a)(51)(D)(i)(I)(aa)-(dd).

In accordance therewith, with respect to each SnapNrack Product, SnapNrack reviews all contracts, agreements, or other arrangements SnapNrack (or its affiliates) entered into with the manufacturer, including the sourcing of additional documentation from the manufacturer as necessary. Such documentation is reviewed to assess whether the manufacturer would have an unrestricted contractual right (in the cases where the manufacturer is or would be in privity of contract with the Customer) to:

- determine the quantity or timing of production of an eligible component produced by the Customer;
- determine the amount or timing of activities related to the production of electricity undertaken at a qualified facility of the Customer or the storage of electrical energy in energy storage technology of the Customer;
- determine which entity may purchase or use the output of a production unit of the Customer that produces eligible components;
- determine which entity may purchase or use the output of a qualified facility of the Customer;
- restrict access to data critical to production or storage of energy undertaken at a qualified facility of the Customer, or to the site of production or any part of a qualified facility or energy storage technology of the Customer, to the personnel or agents of the manufacturer; or
- on an exclusive basis, maintain, repair, or operate any plant or equipment which is necessary to the production by the Customer of eligible components or electricity.

³ As discussed further below, the PFE Rules (including with respect to the relevant definitions) do not take effect until, at the earliest, the first tax year beginning after July 4, 2025. Notwithstanding, SnapNrack applies such relevant definitions as if they were presently in effect.

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In addition, with respect to licensing agreements for the provision of intellectual property as relevant to a SnapNrack Product, if applicable,⁴ SnapNrack reviews all such agreements SnapNrack (or its affiliates) entered into with the manufacturer, including the sourcing of additional documentation from the manufacturer as necessary. Such documentation is reviewed to assess whether the manufacturer would (with respect to the licensing agreement itself, or any other contract, agreement or other arrangement whereby the Customer would be in privity of contract with the manufacturer):

- have a contractual right retained by the manufacturer to specify or otherwise direct one or more sources of components, subcomponents, or applicable critical minerals utilized in a qualified facility, energy storage technology, or in the production of an eligible component to which a SnapNrack Product is or could be incorporated;
- have a contractual right retained by the manufacturer to direct the operation of any qualified facility, any energy storage technology, or any production unit that produces an eligible component to which a SnapNrack Product is or could be incorporated;
- have a contractual right retained by the manufacturer to limit the Customer's utilization of intellectual property related to the operation of a qualified facility or energy storage technology, or in the production of an eligible component to which a SnapNrack Product is or would be incorporated;
- have a contractual right retained by the manufacturer to receive royalties under the licensing agreement or any similar agreement (or payments under any related agreement) beyond the 10th year of the agreement (including modifications or extensions thereof).
- have a contractual right retained by the manufacturer to direct or otherwise require the Customer to enter into an agreement for the provision of services for a duration longer than 2 years (including any modifications or extensions thereof).
- be in privity of such contract, agreement, or other arrangement deemed as not providing the Customer as the licensee with all the technical data, information, and know-how necessary to enable the Customer to produce the eligible component or components subject to the contract, agreement, or other arrangement without further involvement from the manufacturer or an SFE; or
- be in privity of such contract, agreement, or other arrangement deemed as having been entered into (or modified) on or after July 4, 2025.

If the answers to the above are in the negative, SnapNrack concludes that the manufacturer would *not* have an unrestricted contractual right (including with respect to licensing agreements for the provision

of intellectual property) that would allow it to exert specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage technology (the latter two property in which a SnapNrack Product may be incorporated) which are not included in the measures of control through authority, ownership, or debt held as described in Sections 7701(a)(51)(D)(i)(I)(aa)-(dd).

⁴ For the avoidance of doubt, as is typical with mechanical components such as fasteners and rails, the SnapNrack Products are not accompanied by any licensing agreements for intellectual property. As such, there are no licensing agreements for intellectual property with respect to any SnapNrack Product that would implicate the PFE Rules with respect to a Customer.

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II. ASSUMPTIONS

This Memorandum is based on the following assumptions:

- A. The facts set forth in this Memorandum are true and correct in all material respects. SNR Solar is not aware of any facts to the contrary and no material facts have been omitted.
- B. Neither SnapNrack nor any of its affiliates that would be in privity of contract with a Customer with respect to a SnapNrack Product will be a PFE.
- C. Each 2025 SnapNrack Product and 2026 SnapNrack Product is a rail or structural fastener manufactured product component of a “manufactured product” within the meaning of the PFE Rules.
- D. There are no contracts, agreements, or other arrangements between SnapNrack (and any of its relevant affiliates) and a Customer that would grant an SFE (or any entity related to such SFE) the right to exercise effective control over the applicable qualified facility or energy storage technology in which a SnapNrack Product would be incorporated.
- E. The Reviewed Document is true, and correct in all material respects.
- F. Original documents (including signatures) are authentic, documents submitted to us as copies conform to the original documents, and there has been due execution and delivery of all documents where due execution and delivery are prerequisites to the effectiveness thereof.

III. LAW AND ANALYSIS

The following section discusses the legal background and authority relevant to the PFE Rules.

First, it outlines the statutory meaning of an SFE and FIE – entity status demarcations fundamental to the application of the PFE Rules.

Second, it applies the SFE and FIE concepts to address the Material Assistance Prong which bars a certain percentage of the value of the manufactured products (including components) of the property at issue from being manufactured by a PFE (that is, an SFE or FIE).

Last, it applies the SFE and FIE concepts to address the Effective Control Prong which bars any SFE from exercising “effective control” over the property at issue.

A. Overview of the Relevant Law

1. Overview of Authority

Congress enacted the One Big Beautiful Bill Act (the “**OBBBA**”) on July 4, 2025.⁵ The OBBBA added the PFE Rules – which are intended to bar certain federal tax credits (e.g., the investment tax credit under Section 48E and the production tax credit under Section 45Y) from a “prohibited foreign entity”

⁵ P.L. 119-21, 119th Cong., 1st Sess., 139 Stat. 72 (July 4, 2025).

(“**PFE**”). The term “PFE” means either a “specified foreign entity” (“**SFE**”) or “foreign-influenced entity” (“**FIE**”), each as defined in Section 7701(a)(51).

As relevant to this Memorandum, to the extent that any “qualified facility”, “qualified interconnection property”, or “energy storage technology” intends to qualify for the applicable federal tax credits under Sections 45Y or 48E, the PFE Rules (i) prohibit “material assistance” by barring a certain percentage of the value of the manufactured products (including components) of such property from being manufactured by a PFE pursuant to Section 7701(a)(52) (the “**Material Assistance Prong**”),⁶ and (ii) bar any SFE from exercising “effective control” over such property pursuant to Section 7701(a)(51) (the “**Effective Control Prong**”).⁷

On February 12, 2026, Treasury and the Service issued Notice 2026-15,⁸ which provides interim guidance (including safe harbors) addressing the Material Assistance Prong.

2. Statutory Meaning of an SFE and FIE

Pursuant to Section 7701(a)(51)(A), the term PFE means an SFE or an FIE.

a. SFE

An SFE means:

- (i) a foreign entity of concern described in subparagraph (A) (certain designated foreign terrorist organizations), (B) (entities included on that certain list of specially designated nationals and blocked persons), (D) (entities alleged to have engaged in certain espionage or export control violations), or (E) (entities determined to have been engaged in certain conduct detrimental to the national security or foreign policy of the United States) of section 9901(8) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283; 15 U.S.C. 4651) (each, a “**FEOC SFE**”);⁹
- (ii) an entity identified as a Chinese military company operating in the United States in accordance with section 1260H of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283; 10 U.S.C. 113 note) (“**Chinese Military Company SFE**”);¹⁰
- (iii) an entity included on a list required by clause (i), (ii), (iv), or (v) of section

2(d)(2)(B) of Public Law 117-78 (135 Stat. 1527) (generally certain entities connected to forced labor in the Xinjiang Uyghur Autonomous Region of China, “UAR SFE”),¹¹

⁶ Section 7701(a)(52).

⁷ Section 7701(a)(51).

⁸ 2026-11, I.R.B. 1.

⁹ Section 7701(a)(51)(B)(i).

¹⁰ Section 7701(a)(51)(B)(ii).

¹¹ Section 7701(a)(51)(B)(iii).

(iv) an entity specified under section 154(b) of the National Defense Authorization Act for Fiscal Year 2024 (Public Law 118-31; 10 U.S.C. note prec. 4651)¹² (“**NDA SFE**”, and collectively with a FEOC SFE, Chinese Military Company SFE, and UAR SFE, the “**Listed SFEs**”); or

(v) a foreign-controlled entity (“**Foreign-Controlled Entity**”).¹³

b. FIE

An FIE means an entity over which, during the tax year, an SFE exerts influence, through which:

(i) an SFE has the direct authority to appoint a covered officer of such entity;¹⁴ (ii) a single SFE owns at least 25 percent of such entity;¹⁵

(iii) one or more SFEs own in the aggregate at least 40 percent of such entity;¹⁶

(iv) at least 15 percent of the debt of such entity has been issued, in the aggregate, to one or more SFEs;¹⁷ or

(v) during the previous tax year, made a payment to an SFE pursuant to a contract, agreement, or other arrangement which entitles such SFE (or an entity related to such SFE) to exercise “effective control” over a qualified facility or energy storage technology of the credit claimant (or a related party) or eligible component produced by the credit claimant (or a related party), i.e., the extraction, processing,

¹² Section 7701(a)(51)(B)(iv).

¹³ Section 7701(a)(51)(B)(v). Specifically, a foreign-controlled entity means: (i) the government (including any level of government below the national level) of a covered nation (China, Russia, North Korea, or Iran), (ii) an agency or instrumentality of a government described in clause (i), (iii) a person who is a citizen or national of China, Russia, North Korea, or Iran, provided that such person is not an individual who is a citizen, national, or lawful permanent resident of the United States, (iv) an entity or a qualified business unit (as defined in Section 989(a)) incorporated or organized under the laws of, or having its principal place of business in, China, Russia, North Korea, or Iran, or (v) an entity (including subsidiary entities) controlled (as determined under Section 7701(a)(51)(G)) by any of the foregoing via ownership of more than 50% of the stock, profits interests, capital interests, or beneficial interests. *See* Section 7701(a)(51)(C). For purposes of this Memorandum, China, Russia, North Korea, and Iran each is a reference to the People’s Republic of China, the Russian Federation, the Democratic People’s Republic of North Korea, and the Islamic Republic of Iran, respectively, as precisely set forth in the definition of a “covered nation” pursuant to Section

7701(a)(51)(I)(ii).

The foregoing prong (v) does not apply in the case of any entity the securities of which are regularly traded on (i) a national securities exchange which is registered with the Securities and Exchange Commission, (ii) the national market system established pursuant to § 11A of the Securities and Exchange Act of 1934, or (iii) any other exchange or other market which Treasury has determined is consistent with the purposes of Section 1296 — but not any entity which is incorporated or organized under the laws of a covered nation or which has its principal place of business in a covered nation. *See* Sections 7701(a)(51)(E)(i)(I), 7701(a)(51)(E)(i)(III). In addition, the foregoing exception does not apply if such entity is controlled (as determined under Section 7701(a)(51)(G)) pursuant to certain beneficial ownership reporting requirements under Section 7701(a)(51)(E)(ii).¹⁴ Section 7701(a)(51)(D)(i)(I)(aa). A covered officer means a member of the board of directors, board of supervisors, or equivalent governing body; an executive-level officer, including the president, chief executive officer, chief operating officer, chief financial officer, general counsel, or senior vice president; or an individual having powers or responsibilities similar to those of the foregoing officers or members. *See* Section 7701(a)(51)(F).

¹⁵ Section 7701(a)(51)(D)(i)(I)(bb).

¹⁶ Section 7701(a)(51)(D)(i)(I)(cc).

¹⁷ Section 7701(a)(51)(D)(i)(I)(dd).

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or recycling of any applicable critical mineral or the production of an eligible component which is not an applicable critical mineral.¹⁸

Factors (i) through (iv) above (that is, Sections 7701(a)(51)(D)(i)(I)(aa)-(dd)) do not apply in the case of any entity for which at least 80 percent of the equity securities are owned directly or indirectly by an entity the securities of which are regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission; provided, however, that such rules will apply, for example, if, during the tax year, an SFE holds, *inter alia*, the authority to appoint a covered officer of that entity.¹⁹

c. Ownership Determination of the SFE or FIE

The determination of ownership pursuant to Section 7701(a)(51) is determined by application of the attribution rules pursuant to Section 318(a)(2) for purposes of determining ownership of stock in a corporation, whereby similar principles apply for purposes of determining ownership of interests in any other entity.²⁰

d. Timing Determination of the SFE or FIE

Generally, the determination as to whether an entity is an SFE or an FIE is made, for any tax year, as of the last day of such tax year, excluding any determination under the Listed SFE category.²¹ For purposes of the first tax year beginning after July 4, 2025, the determination as to whether an entity is a Listed SFE is made as of the first day of such tax year.²²

3. Material Assistance Prong

Generally, the Material Assistance Prong prohibits a certain percentage of the value of the manufactured products (including components) of the property at issue from being manufactured by a PFE, among other prohibitions. For purposes of Sections 45Y and 48E, the Material Assistance Prong only applies to such properties that are qualified facilities, qualified interconnection property, or energy storage technology the construction of which begins after December 31, 2025.²³ Prior to any regulations or guidance issued by the Service, a “manufactured product” means a manufactured product which is a component of a qualified facility, as described in Section 45Y(g)(11)(B) and any guidance issued

¹⁸ Section 7701(a)(51)(D)(i)(II); *see also* Section 7701(a)(51)(D)(ii)(IV).

¹⁹ Section 7701(a)(51)(E)(i)(II); *see also* Section 7701(a)(51)(E)(iii). Specifically, factors (i) through (iv) will apply, notwithstanding the publicly traded exception, if during the tax year:

- an SFE has the authority to appoint a covered officer of such entity;
- a single SFE required to report its beneficial ownership under Rule 13d-3 of the Securities and Exchange Act of 1934 (or, in the case of an exchange or market described in clause Section 7701(a)(51)(E)(i)(I)(cc), an equivalent rule) owns not less than 25 percent of such entity; or
- one or more SFEs that are each required to report their beneficial ownership under Rule 13d-3 of the Securities and Exchange Act of 1934 own, in the aggregate, not less than 40 percent of such entity; or
- such entity has issued debt, as part of an original issuance, in excess of 15 percent of its publicly-traded debt to one or more SFEs. *See* Section 7701(a)(51)(E)(iii).

²⁰ Section 7701(a)(51)(H).

²¹ Section 7701(a)(51)(A)(ii)(I).

²² Section 7701(a)(51)(A)(ii)(II)

²³ *See* Section 45Y(b)(1)(E); Section 48E(b)(6).

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thereunder.²⁴ Pursuant to Notice 2023-38²⁵ issued as guidance thereunder, components of a manufactured product includes any “manufactured product component” which means any article, material, or supply, whether manufactured or unmanufactured, that is directly incorporated into an “applicable project component” that is a manufactured product. For such purposes, a manufactured product component includes rails and structural fasteners as set forth in Notice 2026-15. In addition, for purposes of determining the value (i.e., the total direct costs) of the manufactured products (including components), a credit claimant may rely on a series of optional safe harbors that expressly allows the use of the tables referenced by Notice 2026-15 to establish the percentage of the total direct costs of any manufactured product.²⁶ Such tables confirm that a manufactured product component includes rails and structural fasteners.²⁷

More specifically, the Material Assistance Prong disqualifies a “qualified facility,”²⁸ or “energy storage technology” from the applicable tax credit if such facility or property includes any “material assistance from a [PFE].”²⁹ Material assistance from a PFE means, for any qualified facility or energy storage technology, a material assistance cost ratio that is less than certain statutorily prescribed threshold percentages.³⁰ With respect to a qualified facility or energy storage technology, the material assistance cost ratio is the amount (expressed as a percentage) equal to the total direct costs to the taxpayer attributable to all manufactured products (including components) which are incorporated into the qualified facility or energy storage technology upon completion of construction (“**Total Costs**”), *less* the total direct costs to the taxpayer attributable to all manufactured products (including components) which are incorporated into the qualified facility or energy storage technology upon completion of construction, and mined, produced, or manufactured by a PFE (“**PFE Costs**”), as finally *divided by* Total Costs.³¹

In accordance therewith, pursuant to Notice 2026-15, a credit claimant may elect to use a safe harbor (i.e., the “Certification Safe Harbor”) which allows reliance on a certification³² by the supplier of the manufactured product that stipulates:

- (i) the total direct costs or the total direct material costs, as applicable, of such product or component that was not produced or manufactured by a PFE; or
- (ii) that such product or component was not produced or manufactured by a PFE.³³

At the claimant’s election (in such form and manner as Treasury designates), if any manufactured product is (i) acquired by the credit claimant, or manufactured or assembled by or for the credit claimant,

²⁴ Section 7701(a)(52)(E)(iii).

²⁵ 2023-22 I.R.B. 872.

²⁶ See Section 7701(a)(52)(D)(iii)(II)(aa). Collectively, the safe harbor tables are the tables provided in sections 5.05, 5.06, 6.02, and 7.02 of Notice 2025-08, section 3.02 in Notice 2024-41, and section 3.04 in Notice 2023-38. ²⁷ See Notice 2026-15.

²⁸ For purposes of Section 48E, such prohibition also applies to “qualified interconnection property”. See Sections 48E(b)(6), 48E(c)(3); see also P.L. 119-21, § 70513(b).

²⁹ See Section 7701(a)(52).

³⁰ See Section 7701(a)(52)(B).

³¹ Section 7701(a)(52)(D)(i).

³² Such certification must include the information set forth in Section 7701(a)(52)(D)(iii)(IV) in a manner consistent with Treas. Reg. § 1.45X-4(c)(4)(i). See Section 7701(a)(52)(D)(iii)(IV); Notice 2026-15.

³³ See Section 7701(a)(52)(D)(iii)(II); see also Notice 2026-15, § 4.03.

pursuant to a binding written contract which was entered into before June 16, 2025, and (ii) placed in service before January 1, 2030 (or, for a wind or solar production facility that is an “applicable facility”, as defined in Section 45Y(d)(4)(B), before January 1, 2028) in a facility the construction of which began before August 1, 2025, the cost to the credit claimant for that product, component, element, material, or subcomponent is not included for purposes of determining the material assistance cost ratio.

4. Effective Control Prong

Generally, “effective control” broadly means an unrestricted contractual right (including with respect to licensing agreements for the provision of intellectual property) that allows an SFE to exert specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage technology which are not included in the measures of control through authority, ownership, or debt held as described in Sections 7701(a)(51)(D)(i)(I)(aa)-(dd).³⁴

More specifically, prior to the issuance of guidance by the Service regarding effective control,³⁵ “effective control” means the unrestricted contractual right of a contractual counterparty³⁶ to:

- determine the quantity or timing of production of an eligible component produced by the taxpayer;³⁷
- determine the amount or timing of activities related to the production of electricity undertaken at a qualified facility of the taxpayer or the storage of electrical energy in energy storage technology of the taxpayer;³⁸
- determine which entity may purchase or use the output of a production unit of the taxpayer that produces eligible components;³⁹
- determine which entity may purchase or use the output of a qualified facility of the taxpayer;⁴⁰
- restrict access to data critical to production or storage of energy undertaken at a qualified facility of the taxpayer, or to the site of production or any part of a qualified facility or energy storage technology of the taxpayer, to the personnel or agents of such contractual counterparty;⁴¹ or

³⁴ Section 7701(a)(51)(D)(ii)(I)(aa).

³⁵ Pursuant to Section 7701(a)(51)(D)(ii)(I)(bb), the Service is required to issue guidance as is necessary to carry out the purposes of the clauses regarding effective control.

³⁶ For these purposes, a contractual counterparty means an entity with which the taxpayer has entered into a contract, agreement, or other arrangement. *See* Section 7701(a)(51)(D)(ii)(V).

³⁷ Section 7701(a)(51)(D)(ii)(II)(aa).

³⁸ Section 7701(a)(51)(D)(ii)(II)(bb).

³⁹ Section 7701(a)(51)(D)(ii)(II)(cc).

⁴⁰ Section 7701(a)(51)(D)(ii)(II)(dd).

⁴¹ Section 7701(a)(51)(D)(ii)(II)(ee).

- on an exclusive basis, maintain, repair, or operate any plant or equipment which is necessary to the production by the taxpayer of eligible components or electricity.⁴²

In addition to the above, Section 7701(a)(51) also expressly sets forth the meaning of “effective control” in the context of licensing agreements for the provision of intellectual property. Subject to an exception for a bona fide purchase or sale of intellectual property,⁴³ the term “effective control” means, with respect to a licensing agreement for the provision of intellectual property (or any other contract, agreement or other arrangement entered into with a contractual counterparty related to such licensing agreement) with respect to a qualified facility, energy storage technology, or the production of an eligible component, any of the following:

- A contractual right retained by the contractual counterparty to specify or otherwise direct one or more sources of components, subcomponents, or applicable critical minerals utilized in a qualified facility, energy storage technology, or in the production of an eligible component.⁴⁴
- A contractual right retained by the contractual counterparty to direct the operation of any qualified facility, any energy storage technology, or any production unit that produces an eligible component.⁴⁵
- A contractual right retained by the contractual counterparty to limit the taxpayer’s utilization of intellectual property related to the operation of a qualified facility or energy storage technology, or in the production of an eligible component.⁴⁶
- A contractual right retained by the contractual counterparty to receive royalties under the licensing agreement or any similar agreement (or payments under any related agreement) beyond the 10th year of the agreement (including modifications or extensions thereof).⁴⁷
- A contractual right retained by the contractual counterparty to direct or otherwise require the taxpayer to enter into an agreement for the provision of services for a duration longer than 2 years (including any modifications or extensions thereof).⁴⁸
- Such contract, agreement, or other arrangement does not provide the licensee with all the

technical data, information, and know-how necessary to enable the licensee to produce the eligible component or components subject to the contract, agreement, or other arrangement without further involvement from the contractual counterparty or a specified foreign entity.⁴⁹

⁴² Section 7701(a)(51)(D)(ii)(II)(ff).

⁴³ Section 7701(a)(51)(D)(ii)(III)(bb)(AA). Any purchase or sale of intellectual property where the agreement provides that ownership of the intellectual property reverts to the contractual counterparty after a period of time shall not be considered a bona-fide purchase or sale. Section 7701(a)(51)(D)(ii)(III)(bb)(BB).

⁴⁴ Section 7701(a)(51)(D)(ii)(III)(aa)(AA).

⁴⁵ Section 7701(a)(51)(D)(ii)(III)(aa)(BB).

⁴⁶ Section 7701(a)(51)(D)(ii)(III)(aa)(CC).

⁴⁷ Section 7701(a)(51)(D)(ii)(III)(aa)(DD).

⁴⁸ Section 7701(a)(51)(D)(ii)(III)(aa)(EE).

⁴⁹ Section 7701(a)(51)(D)(ii)(III)(aa)(FF).

- Such contract, agreement, or other arrangement was entered into (or modified) on or after July 4, 2025.⁵⁰

B. The 2025 SnapNrack Products and (Solely in the Case of the 2026 SnapNrack Product, Beginning On or After January 1, 2026) the 2026 SnapNrack Product, Should Not Trigger the Application of the Material Assistance Prong or the Effective Control Prong

As previously described, a credit claimant must ensure that the manufactured products purchased and incorporated in their qualified facility or energy storage technology project must comply with the Material Assistance Prong and the Effective Control Prong. As a threshold matter, we have assumed, with your permission, that each 2025 SnapNrack Product and 2026 SnapNrack Product is a rail or structural fastener manufactured product component of a “manufactured product” within the meaning of the PFE Rules.⁵¹

In accordance with the above and for the reasons described below, the 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product (i) should not be treated as produced or manufactured by a PFE within the meaning of the Material Assistance Prong, and (ii) should not be treated as being associated with a contract, agreement, or other arrangement that would grant an SFE (or any entity related to such SFE) the right to exercise effective control over the applicable qualified facility or energy storage technology in which a SnapNrack Product would be incorporated within the meaning of the Effective Control Prong.

1. The 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product should not be treated as produced or manufactured by a PFE within the meaning of the Material Assistance Prong

As previously discussed, the PFE Inquiry of the FEOC Diligence Methodology first assesses whether the manufacturer at question is an SFE, and if not, whether the manufacturer is an FIE.

To determine whether the manufacturer is an SFE, SnapNrack sources all substantiating

documentation as necessary from the manufacturer sufficient to assess whether such manufacturer is described in any of the prescribed SFE categories consistent with and pursuant to Section 7701(a)(51)(B), that is, whether the manufacturer is a FEOC SFE, a Chinese Military Company SFE, a UAR SFE, an NDA SFE, or a Foreign-Controlled Entity. In accordance therewith, SnapNrack determined that none of the manufacturers of the 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product, are FEOC SFEs, Chinese Military Company SFEs, UAR SFEs, NDA SFEs, or Foreign-Controlled Entities. Thus, none of such manufacturers are SFEs pursuant to Section 7701(a)(51)(B).⁵²

Because none of the manufacturers are SFEs pursuant to Section 7701(a)(51)(B), SnapNrack continued the PFE Inquiry to assess whether any of such manufacturers are FIEs. Consistent with and

⁵⁰ Section 7701(a)(51)(D)(ii)(III)(aa)(GG).

⁵¹ We understand that each 2025 SnapNrack Product and 2026 SnapNrack Product operates functionally as either a “rail” or “fastener” under both common industry meaning and under Notice 2026-15 as applied to renewable energy generation projects (to the extent a Customer properly uses a 2025 SnapNrack Product and 2026 SnapNrack Product as such), and thus we believe this assumption to be reasonable.

⁵² With respect to the 2026 SnapNrack Product, such conclusions apply beginning on or after January 1, 2026.

pursuant to Section 7701(a)(51)(D)(i), SnapNrack determined that none of the manufacturers are entities, with respect to which, during the tax year: (i) an SFE has the direct authority to appoint a covered officer of the manufacturer; (ii) a single SFE owns at least 25 percent of the manufacturer; (iii) one or more SFEs own in the aggregate at least 40 percent of the manufacturer; (iv) at least 15 percent of the debt of the manufacturer has been issued, in the aggregate, to one or more SFEs; or (v) during the previous tax year, made a payment to an SFE pursuant to a contract, agreement, or other arrangement which would entitle such SFE (or an entity related to such SFE) to exercise “effective control” within the meaning of Section 7701(a)(51)(D)(i)(II) over a qualified facility, energy storage technology, or eligible component in which a SnapNrack Product would be incorporated.⁵³

For the above purposes, SnapNrack conservatively assessed each manufacturer as of the immediate date the determination was made.⁵⁴ In addition, pursuant to SnapNrack’s own internal diligence, neither SnapNrack (nor any relevant affiliate as it may relate to a SnapNrack Product with respect to a Customer) is a PFE. Further, we have assumed, with your permission, that neither SnapNrack nor any of its affiliates that would be in privity of contract with a Customer with respect to a SnapNrack Product will be a PFE.

Accordingly, because none of the manufacturers of the 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product were produced or manufactured by an SFE or FIE, none of such products should be treated as produced or manufactured by a PFE within the meaning of the Material Assistance Prong.

2. The 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product should not be treated as being associated with a contract, agreement, or other arrangement that would grant an SFE (or any entity related to such SFE) the right to exercise effective control over the applicable qualified facility or energy storage technology in which a SnapNrack Product would be incorporated within the meaning of the Effective Control Prong

As previously discussed, the Effective Control Inquiry queries whether the manufacturer, if

deemed an SFE and to which one or more payments would be made by the Customer to such manufacturer, would have an unrestricted contractual right (including with respect to licensing agreements for the provision of intellectual property) that would allow it to exert specific authority over key aspects of the production of eligible components, energy generation in a qualified facility, or energy storage technology (the latter two property in which a SnapNrack Product may be incorporated) which are not included in the measures of control through authority, ownership, or debt held as described in Sections 7701(a)(51)(D)(i)(I)(aa)-(dd). Such query is consistent with the statutory precepts set forth under Section 7701(a)(51)(D)(i)(II).

Pursuant to SnapNrack's own internal diligence, neither SnapNrack (nor any relevant affiliate as it may relate to a SnapNrack Product with respect to a Customer) is a PFE. In addition, we have assumed, with your permission, that neither SnapNrack nor any of its affiliates that would be in privity of contract with a Customer with respect to a SnapNrack Product will be a PFE,⁵⁵ and thus are not and will not be SFEs. Further, as discussed above, none of the manufacturers of the 2025 SnapNrack Products or (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product are SFEs pursuant to Section 7701(a)(51)(B) as deemed by the PFE Inquiry. In further part, we

⁵³ With respect to the 2026 SnapNrack Product, such conclusions apply beginning on or after January 1, 2026. ⁵⁴ As previously discussed, the PFE Rules (including with respect to the relevant definitions) do not take effect until, at the earliest, the first tax year beginning after July 4, 2025. Notwithstanding, SnapNrack applies such relevant definitions as if they were presently in effect – taking a maximally conservative approach.

⁵⁵ As previously discussed, pursuant to Section 7701(a)(51)(A), the term PFE means an SFE or an FIE.

have assumed with your permission, that there are no contracts, agreements, or other arrangements between SnapNrack (and any of its relevant affiliates) and a Customer that would grant an SFE (or any entity related to such SFE) the right to exercise effective control over the applicable qualified facility or energy storage technology in which a SnapNrack Product would be incorporated.

Accordingly, even where payments by a Customer are made to SnapNrack, any affiliates of SnapNrack, or any manufacturer of the 2025 SnapNrack Products or (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product, none of the foregoing entities can constitute an SFE that would be entitled to exercise “effective control” pursuant to Section 7701(a)(51)(D)(i)(II). Accordingly, the 2025 SnapNrack Products and (solely in the case of the 2026 SnapNrack Product, beginning on or after January 1, 2026) the 2026 SnapNrack Product should not be treated as associated with a contract, agreement, or other arrangement that would grant an SFE (or any entity related to such SFE) the right to exercise effective control over the applicable qualified facility or energy storage technology in which a SnapNrack Product would be incorporated within the meaning of the Effective Control Prong.

* * *

This Memorandum is not a tax opinion. Language used throughout this Memorandum, e.g., “will,” “should,” “could,” or “may,” is not to be construed to reflect a tax opinion or level of comfort with the stated conclusions. This Memorandum was not intended or written to be used, and it cannot be used for any person for the purpose of avoiding tax penalties that may be imposed on a taxpayer.

This Memorandum may not summarize all information reviewed by us, and the information contained in this Memorandum was prepared based on the documents and other information made available to us. Such documents and other information (including all calculations) have not been independently verified for completeness or accuracy and we have assumed that such documents and other information provided

to us are true, correct and complete in all respects.

The information contained in this Memorandum is being provided solely for the benefit of SNR Solar and may not be relied upon by any other person or entity without our prior written consent. Any such person or entity who may be a recipient of this Memorandum should consult with their own tax advisors with respect to their particular circumstances. McDermott Will & Schulte LLP (“**McDermott**”) provides no opinion or other form of assurance with respect to the Memorandum or the underlying information, nor may the Memorandum be associated with, referred to or quoted in any way in any offering memorandum, prospectus, registration statement, public filing, loan or other agreement.

The scope of our legal review is limited to issues that could have a material impact in the context of the SnapNrack Products and is also limited by the time frame within which our evaluation took place and, in certain instances, the specific instructions regarding the scope, and we do not purport to be qualified to pass judgment upon the laws of any jurisdiction other than the laws of the states in which we have an office and United States federal law. To the extent that we have reviewed documents governed by other laws, such review has been on a *prima facie* basis only. Additionally, in order to prepare an accessible overview, we have paraphrased or summarized provisions of the documents reviewed. Unless requested in writing by SNR Solar, we undertake no responsibility to update this Memorandum.

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APPENDIX A

SnapNrack FEOC Reliance Letter [Attached in the Following Pages]

3/31/2026

SnapNrack Reliance Letter Update: Foreign Entity of Concern (FEOC) and Prohibited Foreign Entities (PFEs) Guidance In accordance with IRS Notice 2026-15

To Whom It May Concern,

This letter provides updated information from SnapNrack regarding its manufactured product components that may assist customers in evaluating eligibility for federal solar energy tax incentives in light of the recent guidance issued by the Internal Revenue Service under IRS Notice 2026-15.

Prior guidance released by the IRS, including IRS Notice 2024-41 and IRS Notice 2025-08, established the framework by which project owners may determine eligibility for the Domestic Content Bonus Credit and Safe Harbor benefits. Under these notices, predefined percentages for Manufactured Product Components (MPCs) are used to determine the Domestic Content Percentage for an applicable project without requiring detailed manufacturer cost data.

The recently issued Notice 2026-15 introduces additional considerations relating to Foreign Entities of Concern (FEOC) and Prohibited Foreign Entities (PFE) while establishing guidance for determining whether equipment and components used in a PV project are associated with prohibited foreign entities.

Specifically, the guidance focuses on three primary considerations when evaluating FEOC compliance:

- Equipment used within the project
- Ownership or investment interests in component producers
- Control or influence over component manufacturing entities

Projects that commence construction on or after January 1, 2026 may be required to demonstrate that a minimum percentage of project equipment, by value, does not originate from or involve entities identified as prohibited foreign entities.

For solar energy systems, these thresholds begin at **40% non-FEOC** content in 2026, increasing incrementally in future years.

Notice 2026-15 also allows taxpayers to utilize certain safe harbor pathways previously developed for domestic content compliance to assist in determining FEOC eligibility.

These pathways may include:

- Identification of standard equipment components within the system
- Cost-based documentation from suppliers
- Supplier certifications used in conjunction with safe harbor component tables

SnapNrack continues to manufacture a broad portfolio of products domestically and remains committed to supporting customers evaluating eligibility for federal incentive programs. Annex 1 outlines SnapNrack products manufactured in the United States that may assist project developers and system owners in meeting domestic content and non-FEOC equipment thresholds.

All SKUs that qualify will continue to include the “-USA” designator in the SKU suffix and the “(USA)” designation within the SKU description.

Customers should note that the eligibility of a project for federal tax incentives depends on multiple factors beyond individual component manufacturing location, including system configuration, the sourcing of other equipment, and compliance with applicable IRS requirements.

Customers are strongly encouraged to consult with qualified tax, legal, and financial professionals to determine how applicable federal guidance and tax incentives may apply to their specific project circumstances.

SnapNrack will continue monitoring updates from the Internal Revenue Service and other regulatory agencies and will provide additional guidance as it becomes available.

Important Notice

Note: The information in this letter, including Annex 1 below, and any other materials or documents provided by SnapNrack regarding domestic content bonus tax credits are not intended to be, nor should they be interpreted as, legal advice or a guarantee. This includes interpretations or applications of the IRS Notices on Domestic Content, or assurances that a party will qualify for the Domestic Content Bonus Credit. Customers are strongly encouraged to consult qualified professionals to understand how potential tax benefits may apply to their individual circumstances.

For any questions regarding SnapNrack products or manufacturing processes, please do not hesitate to reach out.

Sincerely,

Charles Marino

Chief Operating Officer

SnapNrack

M 510.520.4435

Charles.Marino@snapnrack.com

SKU #	Description	MPs and MPCs Supplied	PFE Produced/Non-PFE Produced/or NA?
232-02536-USA	UR-40 RAIL, 172IN, MILL-USA	Rails	Non-PFE
232-02542-USA	GROUND RAIL, 172IN, MILL-USA	Rails	Non-PFE
232-10097-USA	UR-45 RAIL, 94IN, MILL-USA	Rails	Non-PFE
232-10095-USA	UR-45 RAIL, 172IN, MILL-USA	Rails	Non-PFE
232-10130-USA	UR-45 Rail, 186", Mill (USA)	Rails	Non-PFE
232-10096-USA	UR-45 RAIL, 172IN, BLACK-USA	Rails	Non-PFE
242-10034-USA	Omnilug (USA)	Structural Fasteners	Non-PFE
232-02492-USA	UNIVERSAL LANDSCAPE SKIRT, 70 IN, BLACK(USA)	Rails	Non-PFE
232-02493-USA	UNIVERSAL DOUBLE PORTRAIT SKIRT, 83IN, BLACK (USA)	Rails	Non-PFE
242-02155-USA	UNIVERSAL CLAMP-USA	Structural Fasteners	Non-PFE
242-02215-USA	UNIVERSAL CLAMP-USA	Structural Fasteners	Non-PFE
242-01213-USA	UR-40 & UR-45 Splice, Silver (USA)	Structural Fasteners	Non-PFE
242-01214-USA	UR-40 & UR-45 Splice, Black (USA)	Structural Fasteners	Non-PFE
242-02156-USA	UNIVERSAL LINK (USA)	Structural Fasteners	Non-PFE
232-02494, 5, 6, 7 & 2532-USA	32MM, 35MM, 38MM, 40MM & 30MM SKIRTRAIL SPACERS (USA)	Structural Fasteners	Non-PFE
242-02151-USA	MLPE FRAME ATTACHMENT KIT (USA)	Structural Fasteners	Non-PFE