Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2025.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report
For the transition period from to

Commission file number: 001-33107

CANADIAN SOLAR INC.
(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

Ontario
(Jurisdiction of incorporation or organization)

4273 King Street East, Suite 102
Kitchener, Ontario, N2P 2E9
Canada
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common shares with no par value	CSIQ	The NASDAQ Stock Market LLC (The NASDAQ Global Select Market)

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

67,810,136 common shares issued and outstanding which were not subject to restrictions on voting, dividend rights and transferability, as of December 31, 2025.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer	☐
		Emerging growth company	☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing: U.S. GAAP ☒

International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Table of Contents

INTRODUCTION		1
FORWARD-LOOKING INFORMATION		3
PART I		5
ITEM 1	IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	5
ITEM 2	OFFER STATISTICS AND EXPECTED TIMETABLE	5
ITEM 3	KEY INFORMATION	5
ITEM 4	INFORMATION ON THE COMPANY	32
ITEM 4A	UNRESOLVED STAFF COMMENTS	51
ITEM 5	OPERATING AND FINANCIAL REVIEW AND PROSPECTS	51
ITEM 6	DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	66
ITEM 7	MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	85
ITEM 8	FINANCIAL INFORMATION	86
ITEM 9	THE OFFER AND LISTING	91
ITEM 10	ADDITIONAL INFORMATION	92
ITEM 11	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	108
ITEM 12	DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	109
PART II		110
ITEM 13	DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	110
ITEM 14	MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	110
ITEM 15	CONTROLS AND PROCEDURES	110
ITEM 16A	AUDIT COMMITTEE FINANCIAL EXPERT	112
ITEM 16B	CODE OF ETHICS	112
ITEM 16C	PRINCIPAL ACCOUNTANT FEES AND SERVICES	112
ITEM 16D	EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	113
ITEM 16E	PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS	113
ITEM 16F	CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT	113
ITEM 16G	CORPORATE GOVERNANCE	113
ITEM 16H	MINE SAFETY DISCLOSURE	113
ITEM 16I	DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	113
ITEM 16J	INSIDER TRADING POLICIES	113
ITEM 16K	CYBERSECURITY	113
PART III		115
ITEM 17	FINANCIAL STATEMENTS	115
ITEM 18	FINANCIAL STATEMENTS	115
ITEM 19	EXHIBITS	115
SIGNATURES		116

INTRODUCTION

Unless the context otherwise requires, references in this annual report on Form 20-F to:

- "AC" and "DC" refer to alternating current and direct current, respectively;
- "AI" refers to artificial intelligence;
- "BESS" refers to battery energy storage system;
- "BRL" and "Brazilian reals" refer to the legal currency of Brazil;
- "Canadian Solar Inc." refers to Canadian Solar Inc., an Ontario, Canada corporation;
- "CfD" refers to Contracts for Difference;
- "China" and the "PRC" refer to the People's Republic of China, excluding, for the purposes of this annual report on Form 20-F, Taiwan and the special administrative regions of Hong Kong and Macau;
- "CS PowerTech" refers to CS PowerTech Inc., our majority-owned principal operating subsidiary in the United States, in which we directly and indirectly hold an aggregate of approximately 91% of the equity interests;
- "CSI", "we", "us", "our company" and "our" refer to Canadian Solar Inc. and its consolidated subsidiaries;
- "CSI Solar" refers to CSI Solar Co., Ltd., our majority-owned principal operating subsidiary incorporated in the PRC, in which we hold approximately 64% of the equity interests;
- "C$" and "Canadian dollars" refer to the legal currency of Canada;
- "EPC" refers to engineering, procurement and construction;
- "e-STORAGE" refers to CSI Solar's e-STORAGE branded battery energy storage business;
- "ESG" refers to environmental, social and governance;
- "EU" refers to the European Union;
- "FIP" refers to feed-in premium;
- "FIT" refers to feed-in tariff;
- "GAAP" refers to generally accepted accounting principles;
- "GHG" refers to greenhouse gases;
- "Korea" refers to the Republic of Korea, also commonly known as "South Korea";
- "Manufacturing" refers to our Company's manufacturing and sale of solar module and battery energy storage products, conducted through CS PowerTech and CSI Solar;
- "MW" and "GW" refer to megawatts and gigawatts, respectively;
- "MWh" and "GWh" refer to megawatt hours and gigawatt hours, respectively;
- "MWp" and "GWp" refer to megawatt-peak and gigawatt-peak, respectively, which measure peak capacity;

- "OBCA" refers to the *Business Corporation* Act (Ontario);
- "O&M" refers to operation and maintenance;
- "PPA" refers to power purchase agreement;
- "PV" refers to photovoltaic. The photovoltaic effect is a process by which sunlight is converted into electricity;
- "Recurrent Energy" refers to our Company's solar power and battery energy storage project operating and development segment operated through our subsidiaries including Canadian Solar Energy Group B.V. and CSI Energy Project Technology (SuZhou) Co., Ltd., and unless the context suggests otherwise, include Recurrent Energy B.V.;
- "RMB" and "Renminbi" refer to the legal currency of China;
- "U.S." and "USA" refer to the United States of America;
- "SEC" refers to the U.S. Securities and Exchange Commission;
- "shares" and "common shares" refer to common shares, with no par value, of Canadian Solar Inc.;
- "THB" and "Thai baht" refer to the legal currency of Thailand;
- "U.K." refers to the United Kingdom;
- "VPPA" refers to virtual power purchase agreement;
- "W", "kW", "MW" and "GW" refer to watts, kilowatts, megawatts and gigawatts, respectively;
- "ZAR" and "South African rand" refer to the legal currency of South Africa;
- "$", "US$" and "U.S. dollars" refer to the legal currency of U.S.;
- "€" and "Euros" refer to the legal currency of the Economic and Monetary Union of the European Union;
- "£", "GBP" and "British pounds" refer to the legal currency of the United Kingdom; and
- "¥", "JPY" and "Japanese yen" refer to the legal currency of Japan.

This annual report on Form 20-F includes our audited consolidated financial statements for the years ended December 31, 2023, 2024 and 2025 and as of December 31, 2024 and 2025.

Our reporting currency is the U.S. dollar. We use exchange rates set forth in the H.10 statistical release of the Federal Reserve Board to translate Renminbi, Euros, British pounds, Japanese yen, Canadian dollars, Australian dollars, Thai baht, Brazilian reals and South African rand to U.S. dollars not otherwise recorded in our consolidated financial statements and included elsewhere in this annual report on Form 20-F. Unless otherwise stated, the translation of Renminbi, Euros, British pounds, Japanese yen, Canadian dollars, Australian dollars, Thai baht, Brazilian reals and South African rand into U.S. dollars was made at the rate in effect on December 31, 2025, which was RMB 6.9931 to $1.00, €0.8521 to $1.00, £0.7437 to $1.00, ¥156.8000 to $1.00, C$1.3712 to $1.00, AUD 1.4995 to $1.00, THB 31.4900 to $1.00, BRL 5.4770 to $1.00 and ZAR 16.5496 to $1.00. We make no representation that any Renminbi, Euros, British pounds, Japanese yen, Canadian dollars, Australian dollars, Thai baht, Brazilian reals, South African rand or U.S. dollars amounts referred to in this annual report on Form 20-F could have been or could be converted into U.S. dollars, Euros, British pounds, Japanese yen, Canadian dollars, Australian dollars, Thai baht, Brazilian reals, South African rand or Renminbi, as the case may be, at any particular rate or at all.

FORWARD-LOOKING INFORMATION

This annual report on Form 20-F contains forward-looking statements that relate to future events, including our future operating results, our prospects and our future financial performance and condition, results of operations, business strategy and financial needs, all of which are largely based on our current expectations and projections. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these statements by terminology such as "may", "will", "expect", "anticipate", "future", "ongoing", "continue", "intend", "plan", "potential", "prospect", "guidance", "believe", "estimate", "is/are likely to" or similar expressions. Forward-looking statements involve inherent risks and uncertainties. These forward-looking statements include, among other things, statements relating to:

- our expectations regarding global electricity demand and the markets for solar power and battery energy storage;
- our beliefs regarding the rate of adopting solar power and battery energy storage technologies and the continued growth of these markets and industries;
- our growth strategies and business plans;
- our future business prospects, results of operations, financial condition, and cash flows;
- our ability to sustain our project development activities and balance long-term asset ownership of solar and battery energy storage assets with selective project sales;
- our beliefs regarding our ability to monetize our portfolio of solar power and battery energy storage projects;
- our ability to manage significant fluctuations in the supply and pricing of polysilicon, solar wafers, cells and modules;
- our expectations regarding governmental incentives and policy support schemes for solar power and battery energy storage, including those contained in the IRA and OBBBA;
- the impact of global economic factors, including inflationary pressures and higher interest rates, on our business operations and financing costs;
- our expectations regarding the timing, costs and returns on investment for our project construction and development activities;
- our expectations regarding offtake contracts obligations, defaults and related contingencies;
- the effects of complex and evolving laws, regulations, policies and geopolitical uncertainties across multiple jurisdictions, including tariffs, duties and safeguard measures;
- our assessment of competitive pressures, including industry-wide capacity, pricing dynamics within the solar and battery energy storage sectors, and competition from other solar power and battery energy storage manufacturers;
- our expectations regarding the benefits of our supply chain management, vertical integration, manufacturing capacity expansion and operational initiatives;
- our ability to secure cash to fund manufacturing expansion, project development and construction;
- our debt obligations and the extent to which our level of indebtedness may affect our financial flexibility and competitive position;
- our expectations regarding liquidity and our ability to comply with financial and other covenants in our debt instruments;
- our beliefs regarding our dependence on a limited number of key suppliers and customers, and the continuity of our supply chain;

- our expectations regarding our ability to develop higher conversion efficiency cells and maintain product quality;
- our ability to protect and enforce our intellectual property rights, and the risks associated with intellectual property disputes;
- our ability to comply with environmental, health and safety laws, as well as regulatory actions related to climate change, greenhouse gas emissions, and sustainability; and
- our beliefs with respect to the outcome of the investigations and litigation to which we are a party.

Known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. See "Item 3. Key Information—D. Risk Factors" for a discussion of some of the risk factors that may affect our business and results of operations. These risks are not exhaustive. Other sections of this annual report may include additional factors that could adversely influence our business and financial performance. Moreover, because we operate in an evolving industry, new risk factors may emerge from time to time. We cannot predict all risk factors, nor can we assess the impact of all or any of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed or implied in any forward-looking statement. We do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law.

PART I

ITEM 1 *IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS*

Not applicable.

ITEM 2 *OFFER STATISTICS AND EXPECTED TIMETABLE*

Not applicable.

ITEM 3 *KEY INFORMATION*

Our Corporate Structure and Operations

Canadian Solar Inc. is a corporation governed by the laws of the province of Ontario, Canada, with operations in North America, Asia Pacific, Europe, Australia, South America, the Middle East and Africa through our operating subsidiaries in which we have equity ownership. Through the equity ownership in our subsidiaries, we primarily conduct our manufacturing operations in the U.S. and Asia Pacific, including China. We have also made investments in solar power and battery energy storage systems and projects across the U.S., Europe and Asia Pacific, including China. In addition, on December 1, 2025, we announced a strategic initiative to resume direct oversight of our U.S. operations. We have formed a new joint venture with our majority-owned subsidiary, CSI Solar, by holding a 75.1% controlling stake in CS PowerTech, which operates U.S.-based manufacturing and sales of solar modules, solar cells and advanced energy storage systems. Following the consummation of this strategic initiative, Canadian Solar's business is organized into two segments: (i) Manufacturing, comprising CS PowerTech, which focuses on manufacturing and sales of solar products, battery energy storage products, and other power technology products for the U.S. market, and CSI Solar, which serves all other global markets; and (ii) Recurrent Energy, which focuses on solar power and battery storage project development, asset sales, power services, and electricity revenue from its operating portfolio. See "Item 4. Information on the Company—C. Organizational Structure" for additional information on our corporate structure, including a list of our significant subsidiaries. Investors in our common shares thus are not purchasing equity interests in our operating subsidiaries, but instead are purchasing equity interests solely in our Canadian parent company. As used in this annual report, references to "CSI", "we", "us", "our company" or "our" are made as to Canadian Solar Inc. and its consolidated subsidiaries; references to "Canadian Solar Inc." are made as to the Canadian parent company only.

Risks Related to Doing Business in China

Canadian Solar Inc. has a direct ownership interest in CSI Solar Co., Ltd. through its holding of approximately 64% of the outstanding shares of CSI Solar Co., Ltd. Shareholders of Canadian Solar Inc. do not directly hold equity interests in CSI Solar Co., Ltd. The business of CSI Solar Co., Ltd. is exposed to legal and operational risks associated with having a significant portion of its manufacturing operations in China. CSI Solar is subject to risks arising from the PRC legal system, including the uncertainty in the interpretation and enforcement of the evolving PRC policies, laws and regulations. In recent years, the PRC government has implemented a series of regulatory actions and issued statements to regulate business operations in China with little advance notice. These include measures related to regulatory approvals on anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. Implementation of industry-wide regulations in this nature may cause the value of our securities to significantly decline or be worthless. These risks include, but not limited to, the following:

- The rules and regulations in China can change quickly with little advance notice. Uncertainties with respect to the PRC legal system, as well as changes in any government policies, laws and regulations, could affect the addressable industry of CSI Solar and the CSI Solar's ability to conduct its operations in China;
- The PRC government exercises substantial control over the economy and may intervene in or influence CSI Solar's operations at any time, which could result in a material change to CSI Solar's operations;
- Failure to comply with PRC regulations and other legal obligations concerning cybersecurity, privacy, data protection and informational security may materially and adversely affect CSI Solar's business, as it routinely collects, stores and uses data during the conduct of its business; and
- Renminbi currency exchange restrictions may limit CSI Solar's ability to utilize its revenues and cash effectively.

For further details, see "—D. Risk Factors—Risks Related to Doing Business in China" and "—D. Risk Factors—Risks Related to Our Common Shares."

Permissions Required from the PRC Authorities for CSI Solar's Operations

CSI Solar's operations are governed by PRC laws and regulations. CSI Solar is required to obtain or complete construction enterprise and engineering qualifications, electric power business permit, work safety license, registration of foreign trade operators, and registration certificates of customs declaration entity to operate its business. As of the date of this annual report, we believe that CSI Solar and its subsidiaries have obtained and completed all requisite permissions and registrations for its operations in all material aspects from relevant PRC authorities and none of the requisite permission or registrations for its PRC operations in all material aspects have been denied by relevant PRC authorities. However, given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by government authorities, we cannot assure you that CSI Solar has obtained all the permits or licenses required for conducting its business in the PRC.

If CSI Solar (i) does not receive or maintain any permission or approval required of it or its PRC subsidiaries, (ii) inadvertently concludes that certain permissions or approvals have been acquired or are not required, or (iii) is required to obtain permissions or approvals in the future in the event of a change to the applicable laws, regulations, or interpretations, but it fails to obtain such permissions or approvals in a timely manner, or at all, CSI Solar may face adverse actions or sanctions by PRC regulatory authorities, which may include fines and penalties on its PRC operations, order to suspend its subsidiaries' businesses, and other actions that could have an adverse effect on its business. Furthermore, CSI Solar's ability to offer or continue to offer securities to investors may be significantly limited or completely hindered, which could cause the value of our securities to significantly decline or become worthless. For a detailed discussion of the related risks, see "—D. Risk Factors—Risks Related to Doing Business in China."

Cash and Asset Flows through Our Organization

We conduct operations in North America, Asia Pacific, Europe, Australia, South America, the Middle East and Africa through our operating subsidiaries in which we have equity ownership. We primarily conduct our manufacturing operations in the U.S. and Asia Pacific, including China.

A significant and growing portion of our revenue is generated in the U.S. In 2023, 2024 and 2025, 19.5%, 46.3% and 49.6%, respectively, of our consolidated revenue was generated in the U.S., reflecting the continued expansion of our U.S. operations. During the same periods, 28.3%, 20.4% and 12.7%, respectively, of our consolidated revenue was generated in China.

In addition, we have made substantial investments in expanding our U.S. manufacturing and project development business. As of December 31, 2023, 2024 and 2025, 12.3%, 25.3% and 26.8%, respectively, of our consolidated long-lived assets were located in the United States, compared to 55.8%, 45.2% and 38.2%, respectively, in China, reflecting our increased capital deployment in the U.S.

Cash may be transferred within our consolidated group by way of funds to our subsidiaries, either in the form of capital contributions, working capital cash advances or working capital payable, directly or through intermediate holding companies. Canadian Solar Inc. may provide loans to its subsidiaries and vice versa, and our subsidiaries may make dividends or other distributions to Canadian Solar Inc., directly or through intermediate holding companies. These cash transfers factor the capital and liquidity needs of our subsidiaries, and are subject to our internal approval processes and funding arrangements, taking into account local regulations and tax laws. We have not faced restrictions or limitations in our ability to transfer cash between subsidiaries in countries where we earn and hold significant cash, or continue to make significant investments.

In 2023, 2024 and 2025, no cash transfers were made to CSI Solar and its subsidiaries. CSI Solar's operations are generally funded through cash flows generated from the international sales of solar modules, battery energy storage solutions and solar system kits, as well as domestic borrowings.

No cash proceeds nor distribution was received from CSI Solar in 2023. Canadian Solar Inc. received an aggregate of $34.7 million and $27.0 million in cash, net of $3.9 million and $3.0 million in withholding tax, from dividends distributed by CSI Solar in 2024 and 2025, respectively.

Canadian Solar Inc. transferred aggregate cash of $84.4 million, $16.5 million and $2.4 million in the form of capital contributions and loans to our Recurrent Energy subsidiaries in 2023, 2024 and 2025, respectively, primarily to fund solar power and battery energy storage projects. Canadian Solar Inc. received aggregate cash of $245.0 million and $46.7 million in 2023 and 2024, respectively, and transferred aggregate cash of $23.8 million in 2025, related to net working capital advances to our Recurrent Energy subsidiaries.

Canadian Solar Inc. received aggregate cash of $69.2 million, $32.3 million and nil in 2023, 2024 and 2025, respectively, from repayment of loans by our Recurrent Energy subsidiaries. Canadian Solar Inc. transferred aggregate cash of $232.7 million, $44.6 million and $9.8 million in 2023, 2024 and 2025, respectively, related to net working capital payable to our Recurrent Energy subsidiaries.

In addition, we conduct regular procurement transactions with CSI Solar's subsidiaries related to purchase of modules and battery energy storage solutions for our Recurrent Energy projects.

Dividends, if any, can be paid by CSI Solar to its shareholders, including Canadian Solar Inc., in accordance with applicable PRC law and CSI Solar's articles of association. CSI Solar may pay dividends only from retained earnings and is required to set aside no less than 10% of profit after tax as appropriations to a general statutory reserve until such reserve cumulatively reaches 50% of its registered capital. The statutory general reserve and registered share capital are not distributable as cash dividends except in the event of liquidation, and requires approval from the local authorities. Accordingly, CSI Solar's statutory general reserve and registered share capital are considered restricted net assets, amounting to $1,483.0 million as of December 31, 2025. Furthermore, CSI Solar is subject to restrictions on currency exchange. Under existing foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the People's Bank of China and State Administration of Foreign Exchange ("SAFE") by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate CSI Solar's ability to purchase foreign currencies in the future for current account transactions. Since a significant portion of CSI Solar's cash and cash equivalents and restricted cash are denominated in Renminbi, any existing and future restrictions on dividend or currency exchange may limit CSI Solar's ability to utilize its cash to fund its business activities outside of the PRC.

In other countries where we earn and hold significant cash, or continue to make significant investments, we believe there are no significant restrictions or limitations on foreign exchange, our ability to transfer cash between entities across borders or to U.S. investors, or our ability to distribute earnings from our subsidiaries.

The Holding Foreign Companies Accountable Act

Pursuant to the HFCAA, which was enacted on December 18, 2020 and further amended by the Consolidated Appropriations Act, 2023 signed into law on December 29, 2022, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB, and that we are a Commission-Identified Issuer under the HFCAA for two consecutive years, the SEC will prohibit our common shares from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. In the event of such determination, the Nasdaq is expected to delist our common shares.

On December 16, 2021, the PCAOB issued a report to notify the SEC its determinations that it was unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong. Our auditor, Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm located in China, was subject to that determination. On May 26, 2022, we were conclusively identified as a "Commission-Identified Issuer" under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021.

On December 15, 2022, the PCAOB vacated its previous determinations issued on December 16, 2021 that it was unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong. Therefore, our auditor is currently able to be fully inspected and investigated by the PCAOB. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended December 31, 2022, and do not expect to be so identified when we file this annual report on Form 20-F for the fiscal year ended December 31, 2025. There are no PCAOB determinations currently in effect. Accordingly, we are not currently at risk of having our securities subject to an initial trading prohibition under the HFCAA. However, the PCAOB is required to reassess, at least annually, whether changes in facts and circumstances would support making new determinations. On February 21, 2025, the U.S. administration undertakes, among other things, to determine if adequate financial auditing standards are upheld for companies covered by the HFCAA. The delisting or prohibition of trading of our common shares, or the threat of their being delisted or prohibited from trading, may materially and adversely affect the value of your investment. For a detailed discussion of the related risks, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—The delisting or prohibition of trading of our common shares pursuant to the HFCAA, or the risk or perception that such action may occur, could materially and adversely affect the value of your investment."

A [Reserved]

B Capitalization and Indebtedness

Not applicable.

C Reasons for the Offer and Use of Proceeds

Not applicable.

D Risk Factors

Summary of Risk Factors

An investment in our common shares involves significant risks. Below is a summary of material risks we face, organized under relevant headings. These risks are discussed more fully in "Item 3. Key Information—D. Risk Factors."

Risks and uncertainties related to our company and industry include, but are not limited to, the following:

- We may be adversely affected by volatility in the solar power and battery energy storage market and industry conditions; in particular, the demand for our solar power and battery energy storage products and services may not grow as expected or may decline;
- Our ability to sustain our project development activities depends on effectively balancing long-term ownership of solar and battery energy storage assets with selective project sales to generate operating cash flows, which subjects us to market, financing, execution risks and uncertainties;
- Our sale of solar power and battery energy storage projects depends heavily on our ability to find third-party buyers for our projects in a timely manner and on favorable terms and conditions;
- Oversupply of polysilicon, solar wafers, cells and modules may cause substantial downward pressure on the prices of our products and reduce our revenues and earnings;
- Governments may revise, reduce or eliminate incentives and policy support schemes for solar power and battery energy storage, including those contained in the IRA and OBBBA;
- Global economic conditions, including inflationary pressures and higher interest rates, may have an adverse impact on our business prospects, results of operations and cash flows;
- Our project construction activities may not complete on time, and our development and construction costs could increase to levels that cause the return on our investment in the projects to be lower than expected;
- We face a number of risks involving offtake contracts, including failure or delay in entering into contracts, defaults by counterparties and contingent contractual terms such as price adjustment, termination, liquidated damages, buy-out, acceleration and other clauses;
- Our global operations are subject to complex and evolving laws, regulations, policies, trade restrictions and geopolitical risks, which could increase compliance costs, disrupt operations, delay project execution and adversely affect our business, financial condition and results of operations;
- Our industry is highly competitive, and many of our competitors have greater resources than we do or may be more adaptive;
- We face economic and operational risks associated with maintaining and expanding our international business;

- We may experience issues with our manufacturing capacity expansion and operational initiatives;
- Antidumping and countervailing duty determinations in the United States could adversely affect us;
- Other trade measures such as Section 232 and Section 301 tariffs could adversely affect us;
- Tariffs and other trade barriers, including reciprocal tariffs under the International Emergency Economic Powers Act on imports into the United States, could adversely affect us;
- Our revenues and results of operations are subject to significant fluctuations, which make our financial performance difficult to predict;
- We need a significant amount of cash to fund manufacturing expansion, project development and construction;
- Our substantial indebtedness and reliance on short-term financing could limit our financial flexibility and competitive position;
- Failure to comply with financial and other covenants in our debt instruments could adversely affect our liquidity;
- Supply chain disruptions, cost increases or performance issues could adversely affect our business and relationship with customers, particularly given our dependence on a limited number of key suppliers;
- We are developing and commercializing higher conversion efficiency cells, but we may not be able to mass-produce these cells in a cost-effective way, if at all;
- Defects or performance issues in our products could result in warranty claims that could impose significant costs on us;
- Our dependence on a limited number of customers may cause significant fluctuations or declines in our revenues;
- Our founder, Dr. Shawn Qu, has substantial influence over our company and his interests may not be aligned with the interests of our other shareholders;
- Our inability to protect our intellectual property rights or defend against patent infringement or other intellectual property claims, could undermine our competitive position, adversely affect our business and impose significant costs;
- Our failure to comply with environmental, health and safety laws could result in significant costs, adverse publicity, fines and business disruption;
- Laws, regulations and government actions on sustainability could result in significant additional costs and expose us to additional liabilities;
- Corporate sustainability may impose additional costs and create new compliance challenges;
- Interruption, security breaches or failures of information technology, control and communication systems could disrupt our business and expose us to liability;
- Weaknesses in our internal control over financial reporting could undermine investor confidence and adversely affect the value of our common shares;
- Although CSI Solar completed the STAR Listing, we may not achieve the results contemplated by our business strategy. In addition, it is difficult to predict the effect of CSI Solar's STAR Listing on our common shares;
- CSI Solar's status as a publicly traded company that is controlled, but less than wholly owned, may create complexities and adversely affect our financial results;

- We have granted, and may continue to grant, various share-based incentive awards which may increase our share-based compensation expenses;
- We may encounter difficulties with acquisitions and divestitures, which could harm our business;
- We face risks related to private securities litigation; and
- The delisting or prohibition of trading of our common shares pursuant to the HFCAA, or the risk or perception that such action may occur, could materially and adversely affect the value of your investment.

In addition, CSI Solar is subject to risks and uncertainties related to doing business in China, including, but are not limited to, the following:

- The rules and regulations in China can change quickly with little advance notice. Uncertainties with respect to the PRC legal system, as well as changes in any government policies, laws and regulations, could affect the addressable industry of CSI Solar and CSI Solar's ability to conduct its operations in China, which could result in material changes to CSI Solar's operations and the value of our securities;
- The PRC government exercises substantial control over the economy and may intervene in or influence CSI Solar's operations at any time, which could result in material changes to CSI Solar's operations and the value of our securities;
- Failure to comply with PRC regulations and other legal obligations concerning cybersecurity, privacy, data protection and informational security may materially and adversely affect CSI Solar's business, as it routinely collects, stores and uses data during the conduct of its business; and
- Renminbi currency exchange restrictions may limit CSI Solar's ability to utilize its revenues and cash effectively.

In addition to the risks described above, we are subject to risks related to our common shares:

- The issuance by us of additional common shares or equity linked securities may cause existing shareholders to experience dilution and could adversely affect the market price of our common shares;
- The market price of our common shares is highly volatile;
- Your right to participate in any future rights offerings may be limited, which may cause dilution of your holdings;
- Our articles contain certain provisions that may adversely affect the rights of holders of our common shares;
- You may have difficulty enforcing judgments obtained against us;
- If a United States person owns at least 10% of our shares, such person may be subject to adverse United States federal income tax consequences; and
- We may be classified as a passive foreign investment company, which could result in adverse United States federal income tax consequences to United States Holders of our common shares.

Risks Related to Our Company and Our Industry

We may be adversely affected by volatility in the solar power and battery energy storage market and industry conditions; in particular, the demand for our solar power and battery energy storage products and services may not grow as expected or may decline.

Our business is affected by conditions in the solar power and battery energy storage markets and industries. While we expect continued growth in global electricity demand and increasing adoption of solar and battery energy storage technologies, these markets may experience periods of volatility, grow more slowly than anticipated, or decline. For example, the solar power sector may from time to time experience periods of excess manufacturing capacity and oversupply, leading to significant pricing pressure across the value chain. Excess manufacturing capacity and oversupply can negatively impact selling prices, margins and profitability for manufacturers, including us. Our shipments of solar modules increased in 2023, followed by a marginal increase in 2024 and a decline in 2025. The average selling prices for our solar modules decreased in each of 2023, 2024 and 2025. If the supply of solar modules grows faster than demand and if governments reduce financial support for the industry or impose trade barriers for solar power products, demand and pricing for our products could be adversely affected.

The battery energy storage market continues to evolve, and future demand for battery energy storage products and services is uncertain. Market data for the battery energy storage industry is not as readily available as for more established industries, where trends are more reliably assessed from data gathered over a longer period of time. In addition, demand for battery energy storage products and services in our largest end markets, including the U.S., U.K., Canada, Australia, Europe and China, may not materialize to the extent or on the timeline we anticipate. We are actively pursuing growth opportunities in battery energy storage, given its importance in enhancing the reliability and resiliency of energy grid infrastructure, and integrating intermittent renewable energy power systems. If demand in our key markets slows, competition intensifies, or we fail to capitalize on growth opportunities, our battery energy storage business may not grow as anticipated. Furthermore, while we are working to improve the cost-efficiency and performance of our battery energy storage systems, there can be no assurance that we will achieve our desired outcomes.

The viability of solar power and battery energy storage technologies depends on several factors, including (i) the cost-effectiveness, performance and reliability of our products compared to conventional and other renewable energy sources; (ii) the availability of government incentives and policy support; and (iii) the availability and cost of capital, including long-term debt and tax equity financing for solar power and battery energy storage projects. Competitive dynamics from other renewable technologies, such as wind, hydro, hydrogen, geothermal and biomass, also affect the attractiveness of solar power and battery energy storage technologies. Fluctuations in economic and market conditions, including price trends of oil, gas and other fossil fuels, may affect the competitiveness of renewable energy relative to conventional energy sources. Capital investment patterns of end users, which tend to decrease during economic slowdowns, may also affect demand. Changes in electricity demand patterns, including increased demand associated with data centers and AI-related computing infrastructure, may also influence market dynamics. In addition, the existence and consistency of favorable regulatory framework for solar power and battery energy storage within the broader energy sector are important to the continued adoption of these technologies.

If solar power and battery energy storage technologies are not adopted as broadly or as quickly as we expect, or if demand weakens or becomes more volatile, our revenues, profitability and growth prospects may be materially and adversely affected.

Our ability to sustain our project development activities depends on effectively balancing long-term ownership of solar and battery energy storage assets with selective project sales to generate operating cash flows, which subjects us to market, financing, execution risks and uncertainties.

Historically, our project development activities have primarily consisted of developing solar and battery energy storage assets for sale to third parties. We have been transitioning towards retaining ownership in certain projects, particularly in markets with perceived stable long-term fundamentals, and generating revenues from the sale of electricity, capacity and ancillary services from operational projects.

Our business requires ongoing capital allocation decisions in response to market conditions, cost of capital, liquidity requirements and leverage considerations. While we continue to seek long-term asset ownership, we also intend to place greater emphasis on the sale of project assets or ownership interests at times to generate operating cash flows, manage capital requirements and reduce indebtedness.

Project ownership, operations and development involve risks and uncertainties. These risks include delays and cost overruns due to factors that are often beyond our control, such as construction and procurement price inflation, regulatory and permitting approval delays, grid interconnection constraints, supply chain disruptions or component availability, trade restrictions, construction, installation, and performance acceptance testing issues. Our projects may also be subject to delays or denials of required regulatory or permitting approvals by government authorities. In addition, we may need to raise significant additional funds, which we may be unable to obtain on commercially reasonable terms or at all. We may also fail to advance our project development pipeline plan as planned. Energy production for the projects we own and operate may be uncertain due to factors beyond our controlling, including weather conditions, grid congestion and curtailment. Project ownership, operations and development may also require the diversion of significant management attention and other resources.

Many solar power and battery energy storage projects, including our own, depend on a mix of equity capital, tax equity and project financing to fund development and construction. A higher cost of capital may materially reduce the internal rate of return for these projects. Furthermore, there is no guarantee that tax equity investors will be available or willing to provide funding on acceptable terms, or that the tax incentives and benefits that are needed to make tax equity funding available will remain in place. Moreover, as a result of the effects of inflation in the global economy, certain governmental authorities responsible for administering monetary policy have sustained a higher central bank interest rates, which could increase the costs to obtain debt financing in the future or refinance current indebtedness. In addition, higher bond yields could result in increased return expectations for solar power and battery energy storage projects, which would result in lower valuation for these assets.

The availability and cost of funding of these projects are determined in part based on the perceived counterparty creditworthiness or sovereign credit risk of the country where a particular project is located. We cannot make assurances that financial institutions will continue to offer funding to solar power and battery energy storage project developers and owners at reasonable costs. An increase in cost of capital and interest rates or a decrease in available funding within the global financial market could make it more difficult to fund solar power and battery energy storage systems. If we are unable to manage the balance between long-term project ownership and project asset sales, maintain sufficient liquidity, reduce leverage or advance our project development pipelines, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our sale of solar power and battery energy storage projects depends heavily on our ability to find third-party buyers for our projects in a timely manner and on favorable terms and conditions.

Our project development activities have significantly expanded to North America, Europe, Latin America, Japan, Australia, and other countries of the Asia Pacific region over the past several years. Upon completion of development, we either operate our solar power or battery energy storage projects, with a majority of our aggregate capacity contracted under power purchase agreements, virtual power purchase agreements, tolling agreements, or other contractual arrangements with offtakers, or sell them to third-party buyers. As we balance ownership and operation of solar and battery energy storage assets with selective project sales, revenues from our sale of solar power and battery energy storage projects decreased by $242.4 million, or 60.7%, from $399.1 million in 2023 to $156.7 million in 2024, and then increased by $19.3 million, or 12.3%, to $176.0 million in 2025.

For solar power and battery energy storage projects that we decide to sell, there is no assurance whether or when we will be able to realize their estimated resale value. From time to time, we may reclassify project assets as solar power systems if our intention transitions to holding these projects on our balance sheet for the purpose of generating long-term electricity income.

Our sale of solar power and battery energy storage projects may be subject to significant period-over-period fluctuations for a variety of reasons, including but not limited to the unpredictability of the timing of development and construction of our projects, changes in market conditions after we have committed to projects, availability of financing for our projects, changes in government regulations and policies, changes in the creditworthiness of our contractual counterparties, equipment damage or failures, and weather events, all of which may result in the cancellation of or delays in the development of projects, inability to monetize or delays in monetizing projects or changes in amounts realized on monetization of projects. If a project is canceled, abandoned or deemed unlikely to occur, we will charge all prior capital costs as an operating expense in the period in which such determination is made, which could materially and adversely affect our operating results.

Some classes of investors compare the returns of solar power and battery energy storage projects to bond yields and expect a similar or higher internal rate of return, adjusted for risk and liquidity. Higher bond yields could result in increased return expectations for solar power and battery energy storage projects, which would result in lower sale prices for these assets, which may materially and adversely affect our business, results of operations, financial condition and prospects.

Oversupply of polysilicon, solar wafers, cells and modules may cause substantial downward pressure on the prices of our products and reduce our revenues and earnings.

The solar industry has been experiencing significant fluctuations in the supply and pricing of polysilicon, solar wafers, cells and modules. Global silicon production capacity has expanded rapidly in recent years, leading to an oversupply and subsequent decline in polysilicon prices. This oversupply has exerted substantial downward pressure on prices of solar wafers, cells and modules throughout the value chain. The average selling prices of our solar modules decreased from $0.23 per watt in 2023 to $0.16 per watt in 2024 and remained at $0.16 per watt in 2025. While the persistent oversupply and price reductions have benefited customers through lower prices, they have intensified competition among solar manufacturers and contributed to lower industry utilization rates. Although we believe that balancing our production capacity with demand has helped protect our margins, a prolonged supply of polysilicon, solar wafers, cells, and modules in excess of market demand may result in further downward price pressure, including on our products. Increasing competition could also result in us losing sales or market share. In addition, we are exposed to inventory risk that may adversely affect our earnings as a result of unfavorable product pricing changes.

On the other hand, demand for solar products may continue to increase, driven by various factors such as the global efforts toward clean, renewable energy sources, decarbonization initiatives, and increasing electricity demand associated with data centers and AI-related computing infrastructure, which could result in increased costs of and difficulties in sourcing raw materials to support the increased production levels due to capacity limitations. Due to fluctuations in the supply and pricing of solar power products throughout the value chain, we may not be able to consistently procure silicon, solar wafers and cells at reasonable costs if any of the above factors materialize. If we are unable to obtain these materials at reasonable prices or increase the price of our solar modules to cover our manufacturing and operating costs, our revenues and margins may be adversely impacted due to higher costs compared to our competitors. In addition, our market share could decline if our competitors are able to price their products more competitively.

Governments may revise, reduce or eliminate incentives and policy support schemes for solar power and battery energy storage, including those contained in the IRA and OBBBA.

Historically, the renewable power and clean energy industries, and the overall growth of the solar power and battery energy storage market, have generally benefited from government subsidy programs and economic incentives. Government incentives vary by geographic market. Governments have provided incentives in the form of tax credits, renewable portfolio standards, auctions for CfD, FIP, FIT, rebates and other forms of support. Governments in many countries have implemented mandates to promote the use of renewable power and clean energy, encouraging end-users, power producers and utilities to adopt the use of solar energy solutions and to reduce dependency on other forms of energy. However, many of these government mandates and incentives have been or are scheduled to be reduced or eliminated altogether, and it is likely that incentives for solar and alternative energy technologies will eventually be phased out completely. Changes in energy laws or policies could also undermine the economic returns of new and existing projects.

While the cost of solar power and battery energy storage products has generally declined in recent years and the industry has become less dependent on government incentives, continued support remains important for market growth. For example, governments in some of our largest markets, including the U.S. and a number of the states of the European Union have continuing incentives and policy support schemes for various forms of “green” energies, including solar power and battery energy storage.

In the U.S., renewable energy projects benefit from various federal, state and local governmental incentives, such as Investment Tax Credit (“ITC”), Production Tax Credit (“PTC”) and Renewable Portfolio Standards (“RPS”) programs, accelerated tax depreciation, and other incentives provided for under the Inflation Reduction Act of 2022 (“IRA”), signed into law on August 16, 2022. The provisions of the IRA are intended to, among other things, incentivize domestic clean energy investment, manufacturing and production. The IRA enhances the ITC program, allows solar energy projects to utilize the PTC program, and provides a refundable or transferable advanced manufacturing tax production credit pursuant to Section 45X of the Internal Revenue Code for solar modules and solar module components manufactured in the United States and sold to third parties. The IRA also offers additional credits for projects located in energy communities and projects satisfying domestic content requirements. In June 2023, the United States Internal Revenue Service (“IRS”) issued temporary and proposed regulations related to tax credit transferability and direct pay provisions of the IRA. The final regulations became effective, and prior temporary regulations were replaced, beginning in May 2024.

On July 4, 2025, Public Law 119-21, the One Big Beautiful Bill Act ("OBBBA"), was enacted. The OBBBA shortened time periods for energy projects to qualify for ITCs and PTCS and added and amended provisions of the U.S. Internal Revenue Code that can reduce or disallow certain U.S. clean energy tax credits based on involvement of a prohibited foreign entity ("PFE"), including where a taxpayer is a prohibited foreign entity or where a facility, energy storage technology, or eligible component is treated as receiving material assistance from a PFE. The OBBBA also authorizes the U.S. Secretary of the Treasury to prescribe guidance to implement these provisions. On February 12, 2026, the U.S. Treasury and the U.S. IRS issued Notice 2026-15, providing guidance on the application of material assistance restrictions and details of safe harbors for calculating a material assistance cost ratio ("MACR"). We have made compliance with the OBBBA's PFE provisions a core operational priority and have actively taken steps intended to support continued eligibility for applicable tax credits for us and our customers. If tax credits applicable to our manufacturing activities or our customers' projects are reduced or become unavailable, our profitability and our customers' project economics could be adversely affected. Such impacts may cause certain projects to be postponed, restructured or abandoned, which could, in turn, reduce demand for our products and adversely affect our business, financial condition and results of operations.

In Europe, a number of member countries (including, Italy, France, Germany and Spain) continue to support realization of solar projects through incentive schemes and auctions, with additional limitations and regulations on agricultural land as compared to industrial and commercial zones, and the enactment of new laws in order to simplify the permitting process and enhance administrative resources to promote renewable energy sources. The European Union revised the Renewable Energy Directive, which entered into force on November 20, 2023, that may provide additional support for solar and battery energy storage development. As part of the revised directive, EU member states are required to implement permitting reforms by mid-2024 and to designate renewables acceleration areas by February 2026 to streamline project approvals and facilitate faster deployment.

The demand for solar power and battery energy storage products, services and projects may be affected by the availability and size of such government incentives, as well as, changes in energy laws and policies. The revision, reduction or elimination of these incentives and negative changes in energy laws and policies could therefore materially and adversely affect the growth of one or more of our markets, deter investment in clean energy, reduce customer demand, or result in increased price competition, either of which could cause our revenues to decline and harm our financial results.

Global economic conditions, including inflationary pressures and higher interest rates, may have an adverse impact on our business prospects, results of operations and cash flows.

Our operations are subject to the effects of global economic conditions, including inflation, interest rates, and foreign exchange rates, which consequently may affect demand for electricity and the supply and prices of other energy products, such as oil, natural gas and coal. Economic downturn could result in a decrease in global energy prices and demand for electricity, which could place downward pressure on the price of solar power and battery energy storage systems, and weaken demand.

Inflationary pressures may increase supplier costs, wages, operating costs and financing costs, which could reduce our profitability and cash flows if we are unable to pass along these costs to our customers. Inflation may also adversely affect foreign exchange rates, further affecting our results of operations. In addition, higher interest rates could have a dampening effect on overall economic activity and weaken our customers' financial condition, reducing demand for our products and services. These factors, alone or in combination, could materially and adversely affect our business prospects, financial condition, results of operations and cash flows.

Our project construction activities may not complete on time, and our development and construction costs could increase to levels that cause the return on our investment in the projects to be lower than expected.

The development and construction of solar power and battery energy storage projects can take many months or years to complete and may be delayed for reasons beyond our control. There can be no assurance that the projects can be completed on time or within projected costs. Furthermore, we may become constrained in our ability to simultaneously fund our other business operations and invest in other projects. In contrast to producing and selling solar modules and battery energy storage products, developing solar power and battery energy storage projects requires more management attention to negotiate the terms of our engagement and monitor the progress of the projects which may divert management's attention from other matters.

The development and construction of solar power and battery energy storage projects involve known and unknown risks, many of which are not under our sole control. For example, we may be required to invest significant upfront investments in land and interconnection rights, permitting and engineering, and may incur legal and other expenses before we can determine whether a project is feasible. Additionally, in certain cases, we may need to order equipment with lengthy lead time, such as substation transformers, in order to meet start-of-construction or other timing requirements under U.S. tax incentive programs. This may require us to make upfront commitments before project feasibility, permitted or financing has been fully secured.

Success in developing a particular project is contingent upon, among other things, (i) securing land rights and related permits, including satisfactory environmental assessments; (ii) receiving required land use, construction and operational permits and approvals; (iii) receiving rights to interconnect to the electric grid; (iv) obtaining transmission capacity, accurately estimating, and where possible mitigating, upgrade costs to the transmission grid and other system constraints; (v) securing economically feasible cost of interconnection and other deposits (some of which are non-refundable); (vi) avoiding or mitigating impacts to archaeological, historical or cultural resources, and/or protected or endangered species or habitats, migratory birds, wetlands or other water resources; (vii) negotiating tax incentives and property tax abatement, whenever applicable; (viii) negotiating satisfactory EPC or balance of plant agreements, and mitigating the solvency or financial conditions of our EPC contractors, suppliers or other third parties that we engage; (ix) obtaining equity, tax equity and project financing; and (x) timely and satisfactory execution and performance by the third parties that we engage.

Successful completion of a particular project may be adversely affected by numerous factors, including (i) changes in laws, regulations and policies and shifts in trade barriers and remedies, especially tariffs; (ii) failure in obtaining and complying with required governmental permits and approvals and the inability to renew or replace permits and approvals that expire or are terminated in a timely manner and on reasonable terms; compliance with domestic content and labor requirements; (iii) disputes and potential challenges from local residents, environmental organizations, and others who may not support the project; unforeseen engineering problems, subsurface land conditions, construction delays, cost over-runs, labor strikes, equipment and materials supply shortages or disruptions; (iv) shortage of skilled and licensed labor on the part of our contractors; (v) failure to enter into offtake contracts or capacity and ancillary services contracts, on terms favorable to us, or at all; (vi) additional complexities when conducting project development or construction activities in foreign jurisdictions, including compliance with local laws and customs; and (vii) force majeure events, including adverse weather conditions, pandemics, supply chain disruptions, hostilities and other events beyond our control.

Any of these factors could lead to construction delays and construction costs in excess of our expectations. These circumstances could prevent our solar power and battery energy storage projects from commencing operations on time or achieving our anticipated return on our investments. In addition, failure to meet agreed-upon system level capacity, energy output guarantees, warranties or other contract terms, could lead to contract terminations, grid interferences or project related damages. Depending on the specified terms of the EPC agreements, the offtake, capacity and ancillary service contracts or other agreements related to the project, we may be subject to significant damages, penalties, and other obligations, including obligations to repair, replace or supplement materials for the project. If a third-party EPC contractor is terminated, resigns, becomes insolvent or files for bankruptcy, we may be forced to take on additional risks, such as cost inflation, project delays and construction responsibilities that would otherwise be covered by the contractor. There is no assurance that disputes with third-party EPC contractors will not arise in the future. Any of these events could materially and adversely affect our business, results of operations and financial conditions.

We face a number of risks involving offtake contracts, including failure or delay in entering into contracts, defaults by counterparties and contingent contractual terms such as price adjustment, termination, liquidated damages, buy-out, acceleration and other clauses.

In our solar power and battery energy storage project development business, we enter into a wide range of offtake contracts, including but not limited to PPAs, VPPAs, tolling agreements, and other contracts for capacity and ancillary services. There is a limited, but growing, pool of potential buyers for electricity generated and services provided by our solar power and battery energy storage projects since the transmission and distribution of electricity is often regulated or highly concentrated in many jurisdictions. The willingness of buyers to enter into contracts with independent power producers such as us depends on a number of factors beyond pricing and supply reliability. Failure to enter into offtake contracts on favorable terms, or at all, could negatively impact our revenue and our decisions regarding the development of future projects. Delays in entering into offtake contracts, or an inability to renew or replace expiring contracts with comparable terms and conditions, may adversely affect our ability to finance project construction and realize cash flows from our projects, and the affected site may temporarily or permanently cease operations, or face exposure to more uncertain merchant electricity pricing, which could materially and adversely affect our financial condition, results of operations and cash flows.

We are exposed to the creditworthiness of the purchasers of power under these contracts, and there is no guarantee that our counterparties will be able or willing to fulfill their related contractual obligations. If they refuse to accept delivery of the power or services delivered thereunder or they otherwise terminate them prior to their expiration, our results of operations and cash flows could be materially and adversely affected. Further, to the extent any of our power purchasers are, or are controlled by, governmental entities, our facilities may be subject to legislative or other political action that may impair their contractual performance or contain contractual remedies that do not provide adequate compensation in the event of a counterparty default.

Some of our offtake contracts are subject to price adjustments over time. If the price under a contract falls below a level that makes a project economically viable, our results of operations and cash flows could be materially and adversely affected. In addition, certain inflation-based price adjustments are made only yearly, which may not allow us to pass on additional costs in a timely manner. Certain offtake contracts may contain provisions that allow the counterparty to terminate or buy out the project, or require us to pay liquidated damages in the event of delays in achieving commercial operation or meeting other contractual milestones, and upon the occurrence of specific events. If these provisions are exercised, our financial condition, results of operations and cash flows could be materially and adversely affected. To the extent the output of a project is not fully subject to offtake contracts, the electricity generated will be exposed to merchant price risk. Additionally, some project-level financing arrangements include provisions that allow the lenders or investors to accelerate repayment in the event that a related offtake contract is terminated or if certain operating thresholds or performance measures are not achieved within specified time periods. Certain of our offtake contracts and financing arrangements include, and in the future may include, provisions that would permit the counterparty to terminate the contract or accelerate maturity in the event we own, directly or indirectly, less than 50% of the combined voting power or, in some cases, if we cease to be the majority owner, directly or indirectly, of the applicable project subsidiary. The termination of any offtake contracts or acceleration of financing maturity as a result of a change-in-control event could materially and adversely affect our financial condition, results of operations and cash flows.

Our global operations are subject to complex and evolving laws, regulations, policies, trade restrictions and geopolitical risks, which could increase compliance costs, disrupt operations, delay project execution and adversely affect our business, financial condition and results of operations.

We are subject to a wide range of national, regional and local laws, regulations and policies across the markets where we do business, including energy regulations, export and import restrictions, customs rules, tariffs, antidumping and countervailing duties, tax laws, labor laws, supply chain requirements, construction and interconnection regulations, safety standards and environmental standards. These may conflict across jurisdictions and are frequently subject to change, which may increase compliance costs, disrupt operations, delay project execution, or adversely impact our ability to compete globally. We also face trade barriers and trade remedies, such as tariffs and antidumping and countervailing duties, which could increase our product costs and impact our competitiveness. See "— Antidumping and countervailing duty determinations in the United States could adversely affect us."

New regulations governing safety, interconnection, environmental standards and construction may result in significant additional costs to us and our customers, which could cause a significant reduction in demand for our solar power and battery energy storage products. In addition, we face regulatory risks from transmission providers and operators, including regional transmission organizations and independent system operators. These entities may adopt or amend rules that limit transmission grid access or allocate capacity in ways that curtail the ability of solar power and battery energy storage projects to deliver power.

As we expand internationally, we face increasing exposure to diverse regulatory environments and government policies, including those that may favor domestically manufactured products or restrict international trade. Shifts in government attitudes towards free trade, tariffs, or international cooperation could adversely affect the demand for our products, increase our costs or tax liabilities, or hinder our market access.

Sustained geopolitical tensions could significantly undermine global economy stability. Hostilities and political conflicts, such as the Russia-Ukraine conflict, the Israel-Gaza conflict, and the heightened tensions with Iran, including any other continued hostilities in the Middle East, create global security concerns and impact international business. The duration and outcome of these factors remain highly unpredictable.

Despite our zero tolerance towards forced labor in our own manufacturing facilities and throughout our supply chain, we may be subject to risks related to forced labor allegations. We monitor our manufacturing facilities, enforce an equal opportunity policy, prohibit discrimination of any kind, and adhere to the employment laws and regulations of the jurisdictions in which we operate. In June 2021, the U.S. Customs and Border Protection issued a Withhold Release Order pursuant to Section 307 of the Tariff Act of 1930 on products whose upstream silica-based products (such as polysilicon) are sourced, or are suspected of being sourced, from Hoshine Silicon Industry Co. Ltd. and its subsidiaries. This restriction was further expanded by the Uyghur Forced Labor Prevention Act, which took effect in the United States on June 21, 2022 and imposes broader forced labor-related import restrictions. There can be no assurance that we will not experience adverse consequences arising from the impact of such restrictions on our products and supply chain.

In addition, we are subject to anti-corruption laws such as the United States Foreign Corrupt Practices Act of 1977 ("FCPA"), which prohibits improper payments or benefits to government officials, political parties and private-sector recipients. Although investigations and enforcement actions under the FCPA were temporarily paused for 180 days by an executive order on February 10, 2025, the FCPA law remains in effect (and similar laws remain effective in other jurisdictions in which we operate). On June 9, 2025, the U.S. administration issued the Guidelines for Investigations and Enforcement of the Foreign Corrupt Practices Act, setting forth updated criteria for FCPA actions and ending the enforcement pause. We may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities in the course of our business (for example, to obtain approvals, permits and licenses from applicable government authorities and to sell power to government-owned entities).

If any new legislation, executive orders, tariffs, laws and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations. If we fail to comply with applicable laws, face challenges in regulations and enforcement practices, or are unable to manage associated risks effectively, our business, financial condition and results of operations could be materially and adversely affected.

Our industry is highly competitive and many of our competitors have greater resources than we do or may be more adaptive.

We face intense competition from a large number of module competitors, such as First Solar, Inc., LONGi Green Energy Technology Co. Ltd., Trina Solar Limited, JinkoSolar Holding Co., Limited, JA Solar Co., Limited and Tongwei Solar Co., Ltd., and battery energy storage companies such as Tesla, Inc., Fluence Energy, Inc. and Sungrow Power Supply Co., Ltd. Some module competitors are developing or are currently producing products based on new technologies that may ultimately offer lower costs or better performance than our products. These include products based on Interdigited Back Contact ("IBC") PV technology, which reduces shading by locating metal contacts at the cell to the rear side and increasing power density through larger area for photo absorption. To effectively compete, our products and production capacity are undergoing continuous transformation. For example, while crystalline silicon cell modules have become the market mainstream, we have significantly upgraded our production to N-type and Tunnel Oxide Passivated Contact ("TOPCon") technologies, which is focused on further improving the photoelectric conversion efficiency and reducing the manufacturing cost. Our judgment of the development trend of technologies and products may prove inaccurate, and we may fail to invest sufficiently in research and development in the technology with the most market potential. Consequently, we may be exposed to the risk of lagging in technological advancements.

The competitiveness of our battery energy storage solutions is dependent on a number of factors, including safety and reliability, cost and performance. If we cannot effectively manage growth, take advantage of market opportunities, or respond to competitive pressures, we may face increased costs, difficulties in introducing new products, or other operating challenges.

In our project development business, we compete with international and domestic developers and operators of solar power and battery energy storage projects, including infrastructure funds, power companies focused on renewable energy generation and other renewable energy companies. Some of our competitors may have advantages over us in terms of greater experience or resources in the operation, capital, financing, technical support and management of solar power and battery energy storage projects, in any particular markets or in general.

As the solar power, battery energy storage and renewable energy industry grows and evolves, we will also face new competitors who are not currently in the market. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors would limit our growth and could have a material adverse effect on our business and prospects.

We face economic and operational risks associated with maintaining and expanding our international business.

Operating in international markets requires significant resources and exposes us to a range of risks that could adversely affect our business, including fluctuating sources of revenue; difficulty managing our sales channels effectively as we expand beyond distributors to include direct sales to systems integrators, end users and installers; difficulty managing the development, construction and sale of our solar power and battery energy storage projects on a timely and profitable basis as a result of technical difficulties, commercial disputes and regulatory changes; challenges and costs of complying with the different commercial, legal and regulatory requirements; increased cost of understanding local markets and establishing effective customer service, marketing and distribution network; difficulties and costs associated with staffing and managing overseas operations; failure to develop appropriate risk management and internal control structures tailored to overseas operations; inability to obtain, maintain or enforce intellectual property rights; exposure to fluctuations in foreign currency exchange rates; differing tax regimes across various markets; and unanticipated changes in prevailing economic conditions. Our failure to manage these risks effectively could harm our international operations, overall business and results of operations.

Our revenue sources have fluctuated significantly over recent years, and a significant and growing portion of our revenues are generated in the U.S. For example, the Americas contributed 34.4%, 51.8% and 56.4% of our revenues in 2023, 2024 and 2025, respectively; Asia contributed 41.0%, 30.0% and 22.3%, respectively; and Europe and other regions contributed 24.6%, 18.2% and 21.3%, respectively. As we shift the focus of our operations between different regions, we have limited time to address the related risks. Furthermore, some of these risks, such as currency fluctuations, will increase as our revenue contribution from certain regions becomes more prominent. This may potentially and adversely affect our financial performance.

We may experience issues with our manufacturing capacity expansion and operational initiatives.

We have undertaken several operational initiatives to align our manufacturing capacity with market demand. We employ a flexible vertically integrated business model that combines internal manufacturing capacity with direct material purchases of ingots, wafers and cells. We believe this approach has benefited us by allowing us to grow in a capital-light manner, while giving us significant flexibility to respond to short-term demand changes. Our global solar module, cell, wafer and ingot annual production capacities were 51.3 GW, 32.4 GW, 37.0 GW and 31.0 GW, respectively, as of December 31, 2025. Our global annual battery energy storage system and battery cell manufacturing capacity was 15.0 GWh and 3.0 GWh, respectively, as of December 31, 2025. Battery energy storage system and battery cell capacities are presented on a single-shift and double-shift annualized basis, respectively.

As part of our commitment to expanding our manufacturing capabilities and supporting domestic production in the U.S., we have undertaken significant investments in new manufacturing facilities across several states. In June 2023, we announced the construction of a solar module manufacturing facility in Mesquite, Texas, with an initial annual production capacity of 5 GW. This facility commenced production in late 2023 and is expected to double in capacity to 10 GW, serving as a key component of our U.S. supply chain. The Mesquite facility has also created a substantial number of manufacturing and technical jobs to support its operations and planned expansion. In October 2023, we announced a substantial investment in a solar photovoltaic cell manufacturing facility in Jeffersonville, Indiana. Upon full completion of both phases, the Jeffersonville facility will contribute 6.3 GW of annual solar cell production capacity to support our U.S.-based module production and is expected to create a significant number of additional high-tech jobs. We also plan to invest in a new manufacturing and R&D hub for our utility-scale battery energy storage business in Shelbyville, Kentucky.

Even if we expand our manufacturing capacity as planned, there is no guarantee that we will be able to manage our growth effectively, generate sufficient customer demand for our products, or successfully integrate our overall manufacturing capacity to achieve operational efficiency, which could adversely affect our business, financial condition and results of operations.

Antidumping and countervailing duty determinations in the United States could adversely affect us.

The Group's exports to the U.S. could be adversely impacted by the U.S. Department of Commerce's (the "USDOC") determinations in the various ongoing antidumping and countervailing duty investigations and orders on crystalline silicon photovoltaic ("CSPV") cell and module imports. These risks are partially mitigated by the Group's compliance with the USDOC's various certification regimes.

On August 17, 2023, USDOC issued affirmative final determinations of circumvention with respect to CSPV products from Cambodia, Thailand, Malaysia, and Vietnam. The USDOC also made company-specific affirmative determinations with respect to several companies, including Canadian Solar International Limited ("CSIL"). The Group defended its interests in these proceedings.

While the determination under the USDOC's regulations typically imposes antidumping duty ("AD") and countervailing duty ("CVD") liability from the date of initiation (here, April 1, 2022), the USDOC published a final rule that delayed AD/CVD liability for CSIL's exports from Thailand in the solar circumvention proceedings (the "Solar Moratorium") in response to Proclamation 10414 issued by the U.S. government on June 6, 2022, which suspended AD/CVD requirements on eligible product imports through June 6, 2024. To qualify for the Solar Moratorium, imports must have entered the U.S. by June 6, 2024, and be utilized in solar energy projects within 180 days of that date. The USDOC also implemented a certification mechanism for exporters and importers to demonstrate that merchandise is not subject to circumvention requirements in light of (i) the Solar Moratorium, or (ii) limited reliance on Chinese-origin components (including wafers).

Accordingly, the Group's exports from Thailand to the U.S. market could be treated as Chinese-origin and be subjected to significant AD/CVD deposit rates, adversely affecting our competitiveness in the U.S., and harming our financial condition and results of operations. However, the Group's compliance with USDOC certification requirements reduces this risk.

In 2025, the U.S. Court of International Trade ("USCIT") sustained USDOC's Thailand circumvention determination, and the Company has appealed to the U.S. Court of Appeals for the Federal Circuit. Also in 2025, the USCIT overturned and vacated the USDOC's Solar Moratorium. This decision by the USCIT was appealed to the Federal Circuit in September 2025 and that appeal remains ongoing.

On July 17, 2025, the Alliance for American Solar Manufacturing and Trade filed petitions for antidumping and countervailing duty orders on CSPV cells and modules imported from India, Indonesia, and Laos. The Group is also defending its interests in these proceedings.

For additional details, please refer to "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information —Legal and Administrative Proceedings."

Other trade measures such as Section 232 and Section 301 tariffs could adversely affect us.

The Group's exports to the U.S. could be adversely impacted by the ongoing Section 232 investigation on polysilicon and its derivatives, and the Section 301 investigations on U.S. imports from nearly all countries including from China and Southeast Asia. Announcements with respect to these investigations are expected later in 2026.

For additional details, please refer to "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information —Legal and Administrative Proceedings."

Tariffs and other trade barriers, including reciprocal tariffs under the International Emergency Economic Powers Act on imports into the United States, could adversely affect us.

On February 1, 2025, the U.S. government issued an Executive Order pursuant to the International Emergency Economic Powers Act (the "IEEPA") imposing a 10% tariff on all imports from China, effective February 4, 2025. On March 3, 2025, the U.S. government amended the Executive Order increasing the tariff to 20%, effective March 4, 2025. The 20% tariff applies in addition to any other duties, fees, exactions, and charges applicable to the covered imports from China.

On April 2, 2025, the U.S. government issued an Executive Order pursuant to IEEPA imposing an indefinite reciprocal 10% tariff on almost all goods imported into the U.S., effective April 5, 2025, and individualized higher IEEPA tariffs (11% to 50%) starting April 9, 2025 on goods originating from 57 countries with trade surpluses with the U.S., including China, Thailand, and Vietnam, among other countries. On April 9, 2025, the U.S. government issued a further Executive Order increasing the IEEPA reciprocal tariff on China to 125% effective April 10, 2025. Concurrently, the U.S. government announced a temporary suspension of the country-specific reciprocal tariff measures targeting most U.S. trading partners for a 90-day period, or until July 9, 2025. This sequence of actions underscored a strategic recalibration of the U.S. trade policy, emphasizing heightened pressure on international trade.

In August 2025, the U.S. Court of Appeals for the Federal Circuit ruled against certain of the U.S. tariffs that have been implemented. On February 20, 2026, the U.S. Supreme Court rendered a decision invalidating tariffs imposed under the IIEPA.

We are closely monitoring potential changes in international trade policy, as it remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade agreements, the imposition of tariffs on goods imported into the U.S., tax policy related to international commerce, or other trade matters. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes could have an adverse effect on our business, financial condition and results of operations.

Our revenues and results of operations are subject to significant fluctuations, which make our financial performance difficult to predict.

Our revenues and results of operations have historically fluctuated and are likely to continue fluctuating from quarter to quarter and year to year due to a number of factors, many of which are beyond our control. Factors contributing to these variations include, among others, changes in the average selling prices of our solar modules, fluctuations in shipment volume and customer demand, timing of revenue recognition for battery energy storage products and services, timing and pricing of project sales, loss or addition of significant customers, availability of government incentives, regulatory changes, and variations in manufacturing and material costs, including high-purity silicon, lithium cells, solar cells and wafers. We also experience seasonality in demand linked to construction cycles and weather conditions. Moreover, besides seasonality, there are many other factors that may affect our customers' order patterns, including expectations of future price movements, inventory adjustments, grid-connection and offtaker deadlines, government policy changes and tariff adjustments. These factors may reduce or strengthen the impact of seasonality on our products and services.

As we scale our battery energy storage business, we may enter into turnkey EPC contracts and commit to a fixed project price based on preliminary cost estimates. If actual costs exceed our estimates due to unforeseen factors such as material price increases, supply chain shortages or labor constraints, we may be unable to recover those costs, which could negatively impact profitability. Delays or performance issues involving third parties may also result in penalties or additional obligations. These factors contribute to fluctuations in our revenues and results of operations.

We are exposed to fluctuations in foreign currency exchange rates. While the majority of our sales and cash are denominated in U.S. dollars, Renminbi and Euros, we also transact in various other currencies. A significant portion of our manufacturing costs are denominated in Renminbi, making us particularly sensitive to its appreciation against the U.S. dollars and other currencies. Such appreciation could increase our operating expenses and impact our cost competitiveness. In addition, we maintain loans in multiple currencies, including Renminbi, U.S. dollars, Euros, Japanese yen and Brazilian reals, further exposing us to exchange rate volatility. Although we engage in hedging activities to mitigate near term foreign exchange risk, these hedges may not fully offset the longer-term impact of foreign currency fluctuations.

In addition, we base our operating expenses in part based on expected future revenues, and a significant portion of those expenses are fixed in the short-term. If actual revenues are lower than we expected, we may not be able to adjust our operating expenses proportionately. As a result, our financial performance may continue to fluctuate significantly, and historical results should not be relied upon as an indicator of future performance.

Furthermore, our financial results and effective tax rates could change due to shifts in the mix of profits earned in countries with different tax rates, changes in the valuation of our deferred tax assets and liabilities, adjustments to provisional taxes upon finalization of various tax returns, adjustments to the interpretation of transfer pricing standards, the availability of tax credits, or changes in tax laws or interpretations, including tax holidays or tax incentives. Recent developments include international tax reforms proposed by the Organization for Economic Co-operation and Development ("OECD") as part of its Base Erosion and Profit Shifting ("BEPS") project. These include the allocation of profits among tax jurisdictions in which companies do business and the implementation of a global minimum tax rate of 15%, referred to as Pillar One and Pillar Two, respectively. Several tax jurisdictions have enacted or are in the process of implementing Pillar Two legislation, a 15% global minimum tax on profits, including Hong Kong, Canada and the U.K., which enacted such legislation on June 6, 2025, June 20, 2024 and July 11, 2023, respectively. The OECD and participating countries continue to issue administrative guidance on its applications, which may impact our tax obligations. In the U.S., the IRA included provisions that will impose, among others, a minimum tax on the book income of certain large corporations. Pending further regulatory guidance, these changes could increase our future tax liabilities.

We need a significant amount of cash to fund manufacturing expansion, project development and construction.

Our manufacturing and project development businesses are capital intensive, and we anticipate that our capital requirements will continue to increase. To develop new products, support growth, improve production cost efficiencies, and maintain product quality, we need to invest in manufacturing capacity, facilities, equipment, product and process technology. In addition, significant cash resources are required for the development and construction of our solar power and battery energy storage projects. In 2023, CSI Solar raised RMB 6.91 billion ($966.9 million) from public investors in connection with its STAR Listing on the Shanghai Stock Exchange. In 2024, an entity managed by BlackRock invested $500.0 million in Series A Preferred Shares of Recurrent Energy B.V.. In 2025, we issued $200.0 million of convertible senior secured notes due 2029 to PAG. In January 2026, we raised $230.0 million of convertible senior notes due 2031.

The preferred shares and convertible notes may include redemption rights, conversion features, dividend obligations, or other terms that could require or incentivize cash payments, refinancing or repurchase at or prior to maturity, upon the occurrence of specified events or at the election of the holders. The timing and magnitude of any such obligations could increase our future cash requirements and reduce the cash available for manufacturing expansion, project development and construction.

If we are unable to generate sufficient cash flows, obtain adequate funding, or find alternative sources of capital on commercially acceptable terms, our ability to fund manufacturing operations and project development business would be significantly impaired. This could have a material and adverse effect on our business prospects, financial condition, liquidity and results of operations.

Our substantial indebtedness and reliance on short-term financing could limit our financial flexibility and competitive position.

As of December 31, 2025, our total debt, including financing liabilities, was approximately $6.5 billion, of which $2.2 billion was non-recourse debt. Our substantial indebtedness increases our vulnerability to adverse economic and industry conditions, and requires significant cash flow for debt service, thereby reducing funds available for working capital, capital expenditures and other general corporate purposes. These obligations could limit our financial flexibility to respond to business changes, pursue business opportunities we believe to be desirable, or compete effectively against competitors that have less debt. In addition, restrictive covenants in our debt agreements may constrain our ability to incur additional debt, further constraining financial flexibility.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations depends on future operating performance, which is affected by economic conditions and other factors beyond our control. If we are unable to generate sufficient cash flow from operations to service our indebtedness, we may need to take alternative measures that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our debt, or seeking equity capital. There is no assurance that these measures could be instituted on satisfactory terms, if at all. Any of these events could materially and adversely affect our ability to manage our debt obligations, which could materially and adversely affect our business, financial condition and results of operations.

Failure to comply with financial and other covenants in our debt instruments could adversely affect our liquidity.

Many of our debt instruments contain financial covenants and broad default provisions, including interest and debt coverage ratios, loan to equity value of designated projects and debt to asset ratios, and minimum equity requirements. These covenants could restrict our ability to respond to market conditions, meet capital needs and pursue growth plans. Adverse economic conditions or industry changes may cause us to incur significant losses or force us to assume considerable liabilities, which could impair our ability to comply with these covenants. If we fail to comply and our lenders refuse to grant waivers, an event of default could be triggered, which may accelerate repayment obligations under the applicable debt instruments and result in the foreclosure of security interests, including pledges of equity interests in material subsidiaries.

Some of our debt agreements also contain cross-default clauses that enable lenders to declare an event of default if we breach covenants under other debt agreements. Our ability to meet these restrictive financial ratios and covenants can be impacted by events beyond our control and we may be unable to do so. If we are unable to cure violations or obtain waivers of non-compliance in a timely manner, we may face significant liquidity constraints, which could materially and adversely affect our financial condition and results of operations.

Supply chain disruptions, cost increases or performance issues could adversely affect our business and relationship with customers, particularly given our dependence on a limited number of key suppliers.

We rely on third-party suppliers for key materials, components and equipment, including high-purity polysilicon, ingots, wafers, cells, silver-based metallic pastes, glass, metal frames, ethylene vinyl acetate, junction boxes, polymer back sheets, lithium iron phosphate battery cells, inverters, trackers, mounting hardware, and grid interconnection equipment. Given our dependence on a limited number of suppliers, we are vulnerable to supply chain disruptions. If suppliers fail to meet our quantity, quality or cost requirements, we may face increased costs, production delays, or non-compliance with customer agreements, potentially leading to order cancellations, contractual liabilities, and revenue shortfalls.

Supply chain risks are further exacerbated by inflationary pressures, rising input costs, and production delays. Prices for certain key raw materials, including polysilicon, silver-based metallic pastes and lithium carbonate, have historically been volatile, and increases in the cost of these inputs could adversely affect our manufacturing costs and margins, particularly where pricing under customer contracts does not permit timely pass-through of such increases. Although we may build buffer inventories, there is no assurance that these buffer inventories will fully mitigate supply disruptions or cost increases. Supply interruptions may also result from accidents, energy shortage, natural disasters or other unforeseen events beyond our control.

If we are unable to secure alternative suppliers on commercially reasonable terms, or if increased costs cannot be passed on to our customers, our market position, customer relationships and results of operations could be materially and adversely affected.

We are developing and commercializing higher conversion efficiency cells, but we may not be able to mass-produce these cells in a cost-effective way, if at all.

Higher efficiency cell structures are increasingly vital for cost competitiveness and brand recognition in the solar power industry, as they can yield higher power outputs at the similar production costs, thereby lowering the cost per watt. Manufacturing and selling modules made from such cells offer a competitive advantage, enabling system owners to generate more electricity without additional infrastructure or systems.

We have focused our research on advanced technologies, including N-type Heterojunction (“HJT”) and TOPCon cells, and other technologies such as interdigitated back contact (“IBC”) cell. In mid-2022, we launched HJT module products for high-end roof-top application. In early 2023, we began mass production of TOPCon modules. While we are investing in the development of higher conversion efficiency solar modules, there is no assurance that we will be able to commercialize these technologies cost-effectively, if at all. In the near term, products with such technologies may command a modest premium. In the longer term, if competitors are able to manufacture these products more cost-effectively, we may experience a competitive disadvantage, which could affect our product pricing and our financial performance.

Defects or performance issues in our products could result in warranty claims that could impose significant costs on us.

We may incur significant costs due to warranty claims if our products fail to perform as expected or are alleged to have defects. Our standard warranties cover defects in materials and workmanship for periods ranging from 1 to 30 years, depending on the product type. Additionally, we provide performance warranties ensuring a specified power output over time. Given these extended warranty periods, we are exposed to the risk of substantial claims long after product shipment and revenue recognition.

While we conduct rigorous quality testing, our products have not been operational for their full warranty durations, and unforeseen issues may arise over time, potentially harming our reputation and financial results. Furthermore, as we expand and diversify our product offerings, our exposure to warranty and product liability may increase. Although we maintain reserves for warranty expenses based on various factors, actual costs may differ significantly from our estimates, leading to unexpected volatility in our results of operations.

We have historically entered into agreements with a group of insurance companies to cover a portion of our solar module warranty obligations. The insurance policies were designed to match our solar module product warranty terms, and the insurance companies were obliged to reimburse us for actual product warranty costs, subject to claim limits and deductibles. However, warranty claims may exceed coverage limits, and the claims process can be lengthy and uncertain, with outcomes that may not align with our expectations. If claims are delayed, disputed, or denied, our results of operations could materially and adversely affected.

Our dependence on a limited number of customers may cause significant fluctuations or declines in our revenues.

We sell a substantial portion of our solar module and battery energy storage products to a limited number of customers. Our top five customers by revenues accounted for approximately 15.8%, 17.8% and 17.4% of our net revenues in 2023, 2024 and 2025, respectively. We expect our dependence on a limited number of customers to continue for the foreseeable future.

The loss or reduction in sales to any major customer, if not replaced in a timely manner, could materially reduce our revenue and affect our results of operations. As we expand our business and product offerings, our customer base may shift, and there is no assurance that we will establish a stable or diversified customer base.

Our founder, Dr. Shawn Qu, has substantial influence over our company and his interests may not be aligned with the interests of our other shareholders.

As of January 31, 2026, Dr. Shawn Qu, our founder, Chairman and Chief Executive Officer, beneficially owned 14,054,888 common shares, representing 20.7% of our outstanding shares. Dr. Qu also serves as the chairman of CSI Solar and as a member of the board of directors of Recurrent Energy B.V. As a result, Dr. Shawn Qu has substantial influence over our business, including decisions regarding mergers and acquisitions, consolidations, asset sales, the election of directors and other significant corporate actions. This concentration of ownership may discourage, delay, or prevent a change in control of our company, which could deprive our other shareholders of an opportunity to receive a premium for their shares in the sale of our company and might reduce the price of our common shares.

Our inability to protect our intellectual property rights or defend against patent infringement or other intellectual property claims, could undermine our competitive position, adversely affect our business and impose significant costs.

We retain intellectual property rights to some of the technologies that we develop in solar power and battery energy storage products, As of December 31, 2025, we held 2,314 patents and had 636 patent applications pending across several jurisdictions. We have registered the “Canadian Solar” trademark in multiple jurisdictions, with pending application in additional countries. As of December 31, 2025, we held 325 registered trademarks and had 72 trademark applications pending across several jurisdictions. While we take measures to protect our intellectual property, these rights afford only limited protection and may not prevent third-party infringement.

Additionally, our success depends on our ability to develop and use our technology and know-how without infringing third-party intellectual property rights. Patent and intellectual property disputes are inherently uncertain and often involve complex legal, scientific, and factual issues. Defending such claims can be costly, time-consuming and may divert management and technical resources. Furthermore, we use third-party equipment in our production lines, sometimes without sufficient supplier guarantees that our use of such equipment does not infringe third-party intellectual property rights. This creates a potential source of litigation or infringement claims. An adverse determination in any such litigation or proceedings to which we may become a party could subject us to significant liability, require us to seek licenses, pay ongoing royalties, redesign products or comply with injunctions prohibiting the manufacture, sale or use of our technologies. Protracted litigation could deter customers from purchasing our products until disputes are resolved. While we have resolved claims and disputes in the past without material impact on our financial position, we cannot guarantee that future disputes will not have a material adverse effect on our business and results of operations.

Our failure to comply with environmental, health and safety laws could result in significant costs, adverse publicity, fines and business disruption.

We are subject to national and local laws governing environmental protection, health and safety. We believe we comply with all applicable regulations, including those related to noise, wastewater, air emissions, hazardous substances and industrial waste. Beyond what is required by environmental laws, we have implemented measures to reduce our environmental impact, including promoting a circular economy to maximize material and energy efficiency and minimize waste generation, and setting rolling five-year targets to lower the intensities of manufacturing GHG emissions, energy and water consumption, and waste generation. We have also strengthened supplier scrutiny on ESG requirements and implemented ESG compliance audits across our supply chain. If we fail to comply with current or future environmental regulations, we may incur substantial fines, production suspensions or operation closures. Stricter regulations in the future could significantly increase compliance costs. Our solar power and battery energy storage products must meet environmental standards in the jurisdictions in which they are installed, and compliant-related design and manufacturing costs could impact our competitiveness.

The ownership, construction and operation of our solar power and battery energy storage projects are subject to environmental, health and safety laws in each jurisdiction where our projects operate or plan to operate. Some projects may require environmental impact assessments and programs to identify and understand their potential environmental impacts, allowing us to plan and design projects that minimize harm to ecosystems and communities. If such programs are unsuccessful, our projects could face increased mitigation requirements, operational curtailments, penalties or permit revocation.

Our costs of complying with current and future environmental, health and safety laws, regulations and permit requirements (or other similar requirements), and any liabilities, fines or other sanctions resulting from violations, could have a material adverse effect on our business and results of operations.

Laws, regulations and government actions on sustainability could result in significant additional costs and expose us to additional liabilities.

Our operations emit greenhouse gases, and evolving laws and regulations may require us to obtain permits, undergo environmental review, and implement monitoring programs. For instance, the SEC adopted rules on March 6, 2024, mandating public companies to disclose climate-related risks and GHG emissions in their annual reports starting in the fiscal year 2025. However, the implementation of these rules has been stayed due to legal challenges, and as of March 27, 2025, the SEC ceased defending the rules in court, creating uncertainty regarding their future applicability. The European Corporate Sustainability Reporting Directive ("CSRD") requires companies to report on a broad range of ESG factors. A central feature of the CSRD is the concept of double materiality, which mandates companies to identify sustainability matters that are most material to the organization and its stakeholders. Recent legislative developments have led to proposed amendments that may delay the implementation of the CSRD's reporting requirements. On April 3, 2025, the European Parliament voted to postpone the application of certain sustainability reporting rules, allowing lawmakers additional time to renegotiate exemptions. As a result, reporting requirements for certain companies are postponed until 2027, with first reports due in 2028. On December 16, 2025, the European Parliament adopted the Omnibus I proposals. The Omnibus I proposals are subject to further legislative negotiations, and their final form and implementation timeline remain uncertain. Given these developments, we are closely monitoring the evolving regulatory landscape to determine the specific impact on our reporting obligations under the CSRD. In China, regulatory authorities have recently introduced ESG disclosure guidelines requiring public companies to report on material ESG topics, including the integration of double materiality assessments. CSI Solar, as a public company listed on the STAR Market, will be required to comply with these guidelines by April 30, 2026, for disclosures covering the fiscal year 2025.

Since 2020, we have been measuring GHG emissions from our operations, including manufacturing. We have also set rolling five-year targets to reduce GHG emissions, energy and water consumption, and waste intensities, which are updated annually. Our commitment includes the goal of powering all our operations with renewable energy by 2030. In addition, we are committed to setting science-based near-term and net-zero targets and decarbonizing our operations and value chain, and our targets were formally validated and approved by the Science Based Targets initiative ("SBTi") in December 2025. While these initiatives are expected to meaningfully reduce our GHG emissions in the future, their successful execution may be subject to policy, market or cost barriers in the locations where we operate. Our business model supports global decarbonization by enabling customers to reduce their carbon footprint through solar energy and battery energy storage solutions. However, evolving carbon pricing mechanisms, emission regulations, and government decarbonization targets could increase our compliance costs, impact operations, or require additional investments in emission reduction equipment and technologies. The financial and operational impact of such regulatory developments remains uncertain and cannot yet be determined.

Corporate sustainability may impose additional costs and create new compliance challenges.

Public ESG and sustainability reporting has become more broadly expected by investors, shareholders, customers and other stakeholders. Investors and customers may consider a company's sustainability performance as a reputational or other factor in making an investment or purchase decision. Our failure to meet established ESG standards or achieve acceptable ratings could lead to reputational damage, increased costs, and potential disadvantage relative to our competitors.

We actively monitor sustainability-related key performance indicators, and have set meaningful targets to ensure that we manage our business in a responsible way and maintain a responsible supply chain. See "Item 4. Information on the Company—B. Business Overview—Environmental, Social and Governance Initiatives." However, implementing our sustainability strategy may result in increased costs and could have a material adverse effect on our business and results of operations. In addition, evolving sustainability standards may impose more stringent requirements on us and our suppliers. As such, there is no certainty that we will be able to meet our sustainability or other objectives efficiently and in a timely manner, if at all.

Interruption, security breaches or failures of information technology, control and communication systems could disrupt our business and expose us to liability.

We rely on our information technology systems and network infrastructure, some of which are managed by third parties, to process, store and transmit electronic information. Our information technology systems and those of critical third-party providers are vulnerable to cybersecurity incidents, including power outages, system failures, unauthorized access, malware, ransomware, data breaches and other cyber threats. Despite the security measures we have implemented, we have experienced cyberattacks in the past, including business email compromise, and we expect the frequency and sophistication of cyberattacks and other security incidents to continue to increase in the future. In addition, cyber treats targeting the energy and infrastructure sectors continue to increase in frequency and sophistication. We cannot guarantee that our defenses and those of critical third-party providers will prevent cybersecurity incidents, detect intrusions in a timely manner or enable full recovery. Cybersecurity breaches may lead to data theft, loss or misuse of proprietary and personal information, exposing us to legal claims, regulatory penalties, compliance costs and significant financial and reputational damage. Our cybersecurity costs may increase as regulatory requirements evolve and the threat landscape expands. If we fail to adequately prevent, detect, or mitigate cybersecurity threats, our business, operations, and financial results could be materially and adversely affected.

In addition, evolving global data protection laws impose compliance burdens. Regulations such as the EU GDPR and Canada's Québec Privacy Act require companies handling personal data to meet stringent security and privacy standards. Noncompliance may result in fines, operational restrictions, legal claims and heightened regulatory scrutiny.

Given the growing complexity of cybersecurity threats and regulatory obligations, we may need to allocate significant financial and operational resources to enhance data protection and ensure compliance. If we fail to prevent or mitigate cybersecurity incidents, or comply with evolving data protection laws, our business, reputation and financial condition may be materially and adversely affected.

Weaknesses in our internal control over financial reporting could undermine investor confidence and adversely affect the value of our common shares.

As a public company, we are required by Section 404 of the Sarbanes-Oxley Act to include a management report on, among other things, the effectiveness of our internal control over financial reporting in our annual report. As of December 31, 2025, management concluded that our internal control over financial reporting was effective. Our independent registered public accounting firm will also evaluate and report on the effectiveness of our internal control over financial reporting. However, we cannot guarantee that material weaknesses will not emerge in the future. Any such weaknesses could lead to delays in our periodic reporting, material misstatements in our financial statements, and a loss of investor confidence, leading to an adverse effect in the value of our common shares.

Although CSI Solar completed the STAR Listing, we may not achieve the results contemplated by our business strategy. In addition, it is difficult to predict the effect of CSI Solar's STAR Listing on our common shares.

Although CSI Solar completed its initial public offering and listing (the "STAR Listing") on the Science and Technology Innovation Board (the "STAR Market") of the Shanghai Stock Exchange in 2023, we may not realize the anticipated benefits. CSI Solar's completion of its STAR Listing may not have the anticipated effects of strengthening CSI Solar and its market leadership position. CSI Solar has broad discretion over the use of the proceeds from the STAR Listing, and it may not spend or invest those proceeds in a manner that results in its operating success or with which holders of our common shares agree. CSI Solar's failure to leverage its STAR Listing could adversely impact its results of operations and, in turn, the market value of our common shares.

CSI Solar is subject to the listing and securities law regime of the Shanghai Stock Exchange. The Shanghai Stock Exchange and Nasdaq have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases, including different levels of retail and institutional participation. As a result of these differences and given the fact that CSI Solar will remain one of our significant subsidiaries, fluctuations in the price of the shares of CSI Solar due to circumstances peculiar to the STAR Market or otherwise could in turn affect the price of our common shares. Furthermore, investors may choose to invest directly in CSI Solar rather than our shares listed on the Nasdaq Global Select Market, which could result in reduced demand and market value for our common shares.

CSI Solar's status as a publicly traded company that is controlled, but less than wholly owned, may create complexities and adversely affect our financial results.

Canadian Solar Inc. has a direct ownership interest in CSI Solar Co., Ltd. through its holding of approximately 64% of the outstanding shares of CSI Solar Co., Ltd. CSI Solar operates under a separate board of directors and officers whose fiduciary duties extend to all of its shareholders. In fulfilling these duties, they may take actions that may be contrary to our best interests. CSI Solar Co., Ltd. and Canadian Solar Inc. are independently listed on the Shanghai Stock Exchange and the Nasdaq Global Select Market, respectively, and are subject to differing regulatory, accounting standards and disclosure requirements. These differences may create inconsistencies in financial reporting, timing of disclosures and investor communications, which may lead to potential confusion or uncertainty among investors.

In addition, CSI Solar may undertake capital raises, share repurchases and share-based compensation for its directors, officers and employees, which could dilute or increase our ownership interest, affect cash flows, and increase share-based compensation expenses in the future. In April 2024, CSI Solar launched a share repurchase program of RMB 500.0 million up to RMB 1,000.0 million ($70.4 million up to $140.8 million) to reserve shares for future share-based awards. In December 2024, CSI Solar launched a further share purchase program of RMB 500.0 million up to RMB 1,000.0 million ($70.4 million up to $140.8 million) to reduce its registered capital. In 2024 and 2025, CSI Solar repurchased 52.7 million and 45.1 million shares, representing 1.43% and 1.22% of its total shares, for RMB 566.2 million ($79.6 million) and RMB500.6 million ($70.1 million), respectively.

We have granted, and may continue to grant, various share-based incentive awards which may increase our share-based compensation expenses.

Under our 2006 share incentive plan, we grant restricted shares, options and restricted share units to eligible employees, directors and consultants. In addition, CSI Solar granted performance-based restricted share units to directors and key employees, with vesting tied to the its STAR Listing date and subsequent anniversaries. See "Item 6 Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers" for more details. CSI Solar adopted a restricted share incentive plan in 2024, granting options to its officers, directors and employees to purchase shares of CSI Solar, subject to service and performance vesting conditions. We recognized $21.4 million and $24.4 million in share-based compensation expenses in 2024 and 2025, respectively.

We consider share-based compensation critical for attracting, retaining and motivating key personnel and expect to continue issuing such share-based incentive awards. However, these grants may increase our share-based compensation expenses. In addition, performance-based awards may cause greater period over period fluctuations compared to time-based awards.

We may encounter difficulties with acquisitions and divestitures, which could harm our business.

We have completed several acquisitions in the past and may continue to acquire additional business in the future to improve our market position, expand our products and services, or achieve other business objectives. However, these activities could subject us to a number of risks, including challenges associated with integrating the acquired operations, personnel, services, internal controls and financial reporting into our existing operations. If we fail to successfully integrate acquisitions, it could result in disruptions to our business operations, loss of key personnel, or failure to realize anticipated synergies or other benefits. Divestitures also involve significant risks, such as difficulties in finding buyers on acceptable terms and within a reasonable timeframe, and agreed terms could be renegotiated due to changes in business or market conditions. Divestitures could adversely affect our profitability and may require us to record impairment charges or losses as a result of the transaction.

There can be no assurance that we will be able to make acquisitions and investments and successfully integrate them into our operations, or establish strategic relationships with third parties that will prove to be effective for our business or make divestitures. Our inability to do so could materially and adversely affect our market penetration, our revenue growth and our profitability.

We face risks related to private securities litigation.

There is no guarantee that we will not become party to lawsuits from time to time. If we were involved in a class action suit, it could divert significant attention and resources from our business and operations, and require us to incur significant expenses to defend the suit. In addition, we are generally obligated, to the extent permitted by law, to indemnify our directors and officers in such matters. Adverse outcomes in such litigation could lead to significant judgments or settlements that materially and adversely affect our financial condition or results of operations.

The delisting or prohibition of trading of our common shares pursuant to the HFCAA, or the risk or perception that such action may occur, could materially and adversely affect the value of your investment.

Pursuant to the HFCAA as amended by the Consolidated Appropriations Act, 2023, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the Public Company Accounting Oversight Board, or the PCAOB, and that we are a Commission-Identified Issuer under the HFCAA for two consecutive years, the SEC will prohibit our common shares from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. In the event of such determination, the Nasdaq is expected to delist our common shares.

On December 16, 2021, the PCAOB issued a report to notify the SEC its determinations that it was unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong. Our auditor, Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm located in China, was subject to that determination. On May 26, 2022, we were conclusively identified as a "Commission-Identified Issuer" under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021.

On December 15, 2022, the PCAOB vacated its previous determinations issued on December 16, 2021 that it was unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong. Therefore, our auditor is currently able to be fully inspected and investigated by the PCAOB. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended December 31, 2022, and do not expect to be so identified when we file our annual report on Form 20-F for the fiscal year ended December 31, 2025. There are no PCAOB determinations currently in effect. Accordingly, we are not currently at risk of having our securities subject to an initial trading prohibition under the HFCAA. On February 21, 2025, the U.S. administration undertakes, among other things, to determine if adequate financial auditing standards are upheld for companies covered by the HFCAA.

However, it is uncertain whether the PCAOB will continue to be able to satisfactorily inspect and investigate registered public accounting firms in mainland China and Hong Kong, among other jurisdictions. If in the future, PCAOB finds that it is unable to completely inspect and investigate registered public accounting firms in mainland China and Hong Kong, the PCAOB may act immediately to consider the need to issue a new determination, and we may be identified as a Commission-Identified Issuer again. In accordance with the HFCAA as amended by the Consolidated Appropriations Act, 2023, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. if we are identified as a Commission-Identified Issuer for two consecutive years. Furthermore, we cannot assure you whether Nasdaq or regulatory authorities would apply additional and more stringent criteria to us after considering the effectiveness of our auditor's audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach or experience as it relates to the audit of our financial statements. In addition, any additional actions, proceedings, or new rules resulting from these efforts to increase U.S. regulatory access to audit information could create some uncertainty for investors, adversely affect the market price of our ordinary shares, and we could be delisted if we and our auditor are unable to meet the PCAOB inspection requirement or are required to engage a new audit firm, which would require significant expense and management time. The delisting or prohibition of trading of our common shares, or the threat of their being delisted or prohibited from trading, may materially and adversely affect the value of your investment. If our common shares are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our common shares when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our common shares. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which could have a material adverse impact on our business prospects and financial condition.

Risks Related to Doing Business in China

The rules and regulations in China can change quickly with little advance notice. Uncertainties with respect to the PRC legal system, as well as changes in any government policies, laws and regulations, could affect the addressable industry of CSI Solar and CSI Solar's ability to conduct its operations in China, which could result in material changes to CSI Solar's operations and the value of our securities.

CSI Solar conducts a portion of its operations in China. Its PRC operations are governed by PRC laws and regulations. The PRC legal system, based on written statutes, differs from common law systems, as prior court decisions may be cited for reference but have limited precedential value. The PRC legal system continues to rapidly evolve and the implementation, interpretation and enforcement of its laws, regulations and rules may be inconsistent and change quickly with little advance notice, which may limit legal protections available to us. In addition, any litigation in China may be protracted and may result in substantial costs and divert CSI Solar's resources and the attention of its management. Moreover, because these laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available.

The revised PRC Company Law, effective on July 1, 2024, introduced substantial changes to the capitalization requirements, the corporate governance and the duties of directors, supervisors and senior management. If CSI Solar fails to comply with these regulations and any subsequent changes, it may be subject to penalties and our business may be harmed.

CSI Solar's operations are also subject to China's foreign investment regime under the Foreign Investment Law and its Implementation Rules. According to these regulations, foreign investments shall be conducted in line with the "negative list" and obtain relevant approvals issued by the State Council from time to time. The "negative list" sets special administrative measures for foreign investment access in specific industries. Foreign investors are not allowed to invest in prohibited industries as specified in the "negative list" and subject to certain restrictions when investing in the restricted industries as specified in the "negative list." The National Development and Reform Commission ("NDRC") and the Ministry of Commerce ("MOFCOM") jointly issued the Catalogue of Encouraged Industries for Foreign Investment (2025 Edition), which took effect on February 1, 2026 and includes photovoltaic power generation equipment manufacturing as an encouraged industry. However, it is uncertain whether CSI Solar will be subject to future foreign investment restrictions or prohibitions, although it is not currently subject to such restrictions under the existing "negative list." We cannot assure you that future interpretation or implementation of the Foreign Investment Law by relevant authorities will not materially impact CSI Solar's corporate structure, governance, industry or business operations.

In addition, the PRC government has strengthened anti-monopoly and competition laws recently, including heighten scrutiny of consolidation, pricing management and capacity coordination in certain segment of the solar photovoltaic industry, such as polysilicon, amid ongoing industry oversupply. Although we believe CSI Solar's operations comply with existing anti-monopoly and competition regulations, there remain uncertainties regarding their interpretation and enforcement. We cannot guarantee that regulators will agree with CSI Solar or that CSI Solar's business operations comply with such regulations and authorities' requirements in all respects. If any non-compliance is raised by relevant authorities and determined against CSI Solar, it may be subject to fines and other penalties.

The PRC government exercises substantial control over the economy and may intervene in or influence CSI Solar's operations at any time, which could result in material changes to CSI Solar's operations and the value of our securities.

The PRC government exercises substantial control over the economy through regulation and state ownership. CSI Solar's ability to operate in China may be impaired by changes in its laws and regulations, including those governing the industry in which it operates, its taxation, land use rights and foreign investment restrictions. In addition, central and local governments may impose new or stricter regulations or reinterpret existing regulations that would require additional compliance measures and costs. Any such government intervention, regulatory action or policy change could require significant changes to CSI Solar's operations, which could in turn affect the value of our securities.

Failure to comply with PRC regulations and other legal obligations concerning cybersecurity, privacy, data protection and informational security may materially and adversely affect CSI Solar's business, as it routinely collects, stores and uses data during the conduct of its business.

CSI Solar routinely collects, stores and uses data during its operations including but not limited to the demand and pricing of solar and battery energy storage products, location and capacity of its production facilities, operational and performance data of solar and battery projects that it provides services to, and the information related to its employees, customers and suppliers. CSI Solar is subject to PRC laws and regulations governing the collecting, storing, sharing, using, processing, disclosure and protection of data on the internet, mobile platforms and cybersecurity.

In recent years, PRC authorities issued a number of laws and regulations governing cybersecurity, data security, critical information infrastructure protection, personal information protection and cross-border data transfers, including requirements that may impose cybersecurity reviews, security assessments or other regulatory procedures where data processing activities affect or may affect national security. The interpretation, application and enforcement of these requirements remain uncertain and may evolve further, and compliance may require additional approvals, certifications, filings or operational adjustments.

If CSI Solar is required to go through cybersecurity reviews, security assessment of outbound data transfer or other regulatory procedures, or if PRC authorities determine that its data-related activities do not comply with the applicable laws and regulations, CSI Solar will receive a notice on assessment result after completion of the assessment, and CSI Solar may be notified to terminate the outbound data transfer or make rectification as required. In addition, CSI Solar has to regulate its outbound data transfer activities in accordance with the applicable laws and regulations on the security management of outbound data transfer and the relevant requirements specified in the notice on assessment result.

As of the date of this annual report, CSI Solar has not been informed that it is identified as a critical information infrastructure operator by any governmental authorities. CSI Solar will closely monitor the relevant regulatory environment and will assess and determine whether it is required to apply for the cybersecurity review with the advice of its PRC counsel.

Renminbi currency exchange restrictions may limit CSI Solar's ability to utilize its revenues and cash effectively.

The PRC government regulates Renminbi convertibility into other currencies and, in certain cases, restricts the remittance of currency out of China in cross-border transactions and capital flows. Certain of CSI Solar's revenues and expenses are denominated in Renminbi. If CSI Solar's revenues denominated in Renminbi increase or its' expenses denominated in Renminbi decrease, CSI Solar may need to convert a portion of its revenues into other currencies to meet foreign currency obligations.

Under the relevant foreign exchange regulations, conversion of Renminbi for current account transactions, which includes dividends, interest, trade and service-related foreign exchange transactions, is permitted without prior approval from SAFE by complying with certain procedural requirements.

Conversion of Renminbi for capital account transactions, including foreign direct investments and loans, is subject to significant foreign exchange controls and requires approval of or registration with PRC authorities. If CSI Solar finances its PRC subsidiaries through capital contributions, approval of or the record-filing with PRC authorities, including the Ministry of Commerce or its local counterparts, is required. If CSI Solar's subsidiaries obtain foreign debt through medium and long-term loans or bonds issuance, approval may be required from the NDRC. Foreign exchange controls on capital account transactions could limit CSI Solar's ability to obtain foreign exchange, pay capital expenses in currencies other than in Renminbi or use Renminbi capital converted from foreign registered capital.

The PRC government may impose stricter foreign exchange policies and increase scrutiny of cross-border capital movements. If these restrictions prevent CSI Solar from utilizing its revenues generated in Renminbi or cash held in China to meet cash or financing requirements outside China or to pay future dividends, its business could be harmed.

Risks Related to Our Common Shares

The issuance by us of additional common shares or equity-linked securities may cause existing shareholders to experience dilution and could adversely affect the market price of our common shares.

From time to time, we may issue additional common shares or equity-linked securities for a number of reasons, including to finance our operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to satisfy our obligations for the repayment of existing indebtedness, to adjust our ratio of debt to equity, or for other reasons. For example, in 2025, we issued $200.0 million in convertible senior secured notes due 2029 to PAG. In January 2026, we issued $230.0 million of convertible senior notes due 2031. These notes are convertible into common shares at an initial conversion price of $18.20 and $27.63, respectively. Future issuances of such securities may cause existing shareholders to experience dilution of their ownership interest and may adversely affect the market price of our common shares. We cannot predict the timing, size or terms of any future issuances or sales of common shares or equity-linked securities, nor their effects on the market price of our common shares. In additional, market conditions could require us to accept less favorable terms in future offerings. In addition, our future issuance of securities may be subject to regulatory approval or filling procedures, which may affect our ability to conduct future offerings in a timely manner.

The market price of our common shares is highly volatile.

The market price for our common shares is highly volatile and has been subject to wide fluctuations, which could result in substantial losses to investors. In 2025, our share price fluctuated between a high of $34.59 and a low of $6.57. The stock market in recent years has experienced significant price and volume fluctuations that have affected the market prices of companies, including solar companies. These fluctuations have often been unrelated to or disproportionately impacted by the operating performance of these companies. The market for our common shares has been and may in the future be subject to similar volatility. Factors such as fluctuations in our operating results, announcements of technological innovations or events affecting other companies in the solar industry, currency fluctuations, general market fluctuations, and macro-economic conditions may cause the market price of our common shares to decline.

Your right to participate in any future rights offerings may be limited, which may cause dilution of your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make these rights available in the U.S. unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

Our articles contain certain provisions that may adversely affect the rights of holders of our common shares.

Certain provisions in Canadian Solar Inc.'s articles may deprive our shareholders of the opportunity to sell their common shares at a premium over the prevailing market price by delaying or preventing a change of control of our company. Our board of directors has the authority to issue an unlimited number of preferred shares, in one or more series, without approval from the shareholders. Our board of directors may determine the number of preferred shares issued and set the designation, rights, privileges, restrictions and conditions of each series of preferred shares. See "Item 10. Additional Information—B. Articles—Preferred Share Rights" for a more detailed description of the attributes of the preferred shares.

In addition, our board of directors may fix or change the number of directors within the minimum of three and maximum of ten allowed under our articles. Our board of directors may appoint additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but such appointments may not exceed one-third of the elected directors from the previous annual meeting of shareholders.

You may have difficulty enforcing judgments obtained against us.

Canadian Solar Inc. is a corporation governed by the laws of the province of Ontario, Canada, with operations in North America, Asia Pacific, Europe, Australia, South America, the Middle East and Africa. We primarily conduct our manufacturing operations in the U.S. and Asia Pacific, including China. A majority of our directors and officers are residents of countries other than the United States, principally Canada. As a result, it may not be possible for you to effect service of process within the United States upon those persons. Furthermore, it may not be possible for you to enforce against us or them, in the United States, judgments obtained in United States courts, because a substantial portion of our assets and all or a substantial portion of the assets of those persons are located outside the United States. In addition, our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated. As a result, it may be difficult for you to effect service of process within the United States upon us or such persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

If a United States person owns at least 10% of our shares, such person may be subject to adverse United States federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our shares, such person may be considered as a "United States shareholder" with respect to each "controlled foreign corporation," or CFC, in our group. Where our group includes one or more United States subsidiaries that are corporations for United States federal income tax purposes, in certain circumstances we could be treated as a CFC and certain of our non-United States subsidiaries could be treated as CFCs (regardless of whether or not we are treated as a CFC).

A United States shareholder of a CFC may be required to annually report and include in its United States taxable income its pro rata share of "Subpart F income," "net CFC tested income" and investments in United States property by CFCs, whether or not we make any distributions. An individual who is a United States shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a corporation that is a United States shareholder. A failure to comply with these reporting obligations may subject a United States shareholder to significant monetary penalties and may prevent starting of the statute of limitations with respect to such shareholder's United States federal income tax return for the year for which reporting was due. We do not intend to monitor whether we are or any of our non-United States subsidiaries is treated as a CFC or whether any investor is treated as a United States shareholder with respect to us or any of our CFC subsidiaries, or to furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax obligations. An investor who is a United States person should consult its tax advisor regarding the potential application of these rules to its particular circumstances.

We may be classified as a passive foreign investment company, which could result in adverse United States federal income tax consequences to United States Holders of our common shares.

We will be a passive foreign investment company, or PFIC, for United States federal income tax purposes in any taxable year if, applying applicable look-through rules, either (a) at least 75% of our gross income for such year is passive income or (b) at least 50% of the value of our assets (generally determined based on an average of the quarterly asset values for such year) is attributable to assets that produce or are held for the production of passive income. Based on the value of our assets and the nature and composition of our income and assets, we do not believe we were a PFIC for the taxable year ended December 31, 2025, though there can be no assurances in this regard. PFIC status is determined annually, involves extensive factual analysis, including ascertaining the quarterly fair market value of all of our assets and the characterization of each item of income that we earn, and is subject to various uncertainties. Moreover, we cannot guarantee that the IRS will agree with any positions that we take. Accordingly, we cannot assure you that we will not be treated as a PFIC in any taxable year or that the IRS will not take a position contrary to any position that we take.

Changes in the value of our assets and/or the nature or composition of our income or assets may cause us to be more likely to be a PFIC. The determination of whether we are a PFIC for any taxable year may also depend in part upon the value of our goodwill and other unbooked intangibles not reflected on our balance sheet (which may depend upon the market value of our common shares from time to time, which may be volatile) and also may be affected by how, and how quickly, we spend our liquid assets and cash generated from our operations. Among other matters, if our market capitalization declines, we may be more likely to be a PFIC because our liquid assets and cash (which are for this purpose considered assets that produce passive income) may then represent a greater percentage of the value of our overall assets. Further, while we believe our classification methodology and valuation approach are reasonable, it is possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our being or becoming a PFIC for the current taxable year or one or more future taxable years.

If we are classified as a PFIC in any taxable year during which a United States Holder (as defined in "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation") holds our common shares, that holder could be subject to adverse United States federal income tax consequences. See "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation—Passive Foreign Investment Company."

ITEM 4 *INFORMATION ON THE COMPANY*

A History and Development of the Company

Canadian Solar Inc. was incorporated under the laws of the Province of Ontario, Canada in October 2001, and became a publicly traded company on the Nasdaq under the ticker symbol "CSIQ" following its initial public offering ("IPO") on November 9, 2006. Since its incorporation, the Company has undergone several jurisdictional continuances: (i) a continuance from Province of Ontario jurisdiction to Canadian federal jurisdiction on June 1, 2006; (ii) a continuance from Canadian federal jurisdiction to Province of British Columbia jurisdiction on July 23, 2020; and (iii) a continuance from Province of British Columbia jurisdiction back to Province of Ontario jurisdiction on July 29, 2022. Canadian Solar Inc. is currently governed by the *Business Corporation Act* (Ontario), or the OBCA.

In June 2023, CSI Solar completed its STAR Listing on the Shanghai Stock Exchange, raising gross proceeds of RMB 6.01 billion ($842.6 million). In July 2023, the full over-allotment option was exercised, raising an additional gross proceeds of RMB 0.9 billion ($124.3 million). All U.S. dollar equivalents are based on the exchange rate on the respective transaction dates. CSI Solar issued 622,217,324, representing approximately 17% of its outstanding shares post-IPO. As of the date of this annual report, we own approximately a 63% equity interest in CSI Solar.

In January 2024, Canadian Solar Energy Group B.V. and Recurrent Energy B.V., our subsidiaries, entered into a purchase and sale agreement with GRP IV UK Holdco Limited ("GRP IV"), which is managed by BlackRock, Inc.'s climate infrastructure business ("BlackRock") to issue Series A preferred shares of Recurrent Energy B.V. ("Series A Preferred Shares") to GRP IV. GRP IV subsequently assigned its rights, liabilities and obligations under the agreement to GRP IV Rose Bidco Ltd. ("Investor"), an affiliated entity that is also managed by BlackRock. Following initial and subsequent closings in May and September 2024, respectively, BlackRock's total investment reached $500.0 million, representing 20% of Recurrent Energy B.V.'s fully diluted shares on an as-converted basis as determined immediately upon closing. See "Item 4. Information on the Company—B. Business Overview—Recurrent Energy Key Development."

For details on our corporate structure and significant subsidiaries, see "—C. Organizational Structure."

Our principal executive office and principal place of business is located at 4273 King Street East, Suite 102, Kitchener, Ontario, N2P 2E9, Canada. Our telephone number at this address is 1-519-837-1881 and our fax number is 1-519-837-2550. Our agent for service of process in the United States is CT Corporation System, located at 111 Eighth Avenue, New York, New York 10011.

All inquiries to us should be directed to the address and telephone number of our principal executive office set forth above. Our website is www.canadiansolar.com. This website address is provided only as an inactive textual reference. The information contained on, or accessible, through our website does not form part of this annual report.

B Business Overview

Overview

We are one of the world's largest solar technology and renewable energy companies, a leading manufacturer of solar photovoltaic modules, a provider of battery energy storage solutions, and a developer of utility-scale solar power and battery energy storage projects. As of December 31, 2025, we had delivered approximately 174 GW of solar modules to customers worldwide and shipped more than 18 GWh of battery energy storage solutions. Our global footprint spans North America, Asia Pacific, Europe, Australia, South America, the Middle East and Africa.

Strategic Initiative Relating to Our U.S. Business Operations

On December 1, 2025, we announced a strategic initiative to resume direct oversight of our U.S. operations. We have formed a new joint venture with our majority-owned subsidiary, CSI Solar, by holding a 75.1% controlling stake in CS PowerTech, which operates U.S.-based manufacturing and sales of solar modules, solar cells and advanced energy storage systems.

Manufacturing

CS PowerTech and CSI Solar

Our Manufacturing segment primarily focuses on the design, development and manufacturing of solar ingots, wafers, cells, modules and battery energy storage products. We operate manufacturing facilities in the U.S. and Asia Pacific, including China.

We employ a flexible vertically integrated business model that combines internal manufacturing capacity with direct material purchases of ingots, wafers and cells. We believe this approach has benefited us by allowing us to grow in a capital-light manner, while giving us significant flexibility to respond to short-term demand changes. Our global solar module, cell, wafer and ingot annual production capacities were 51.3 GW, 32.4 GW, 37.0 GW and 31.0 GW, respectively, as of December 31, 2025. Our global annual battery energy storage system and battery cell manufacturing capacities were 15.0 GWh and 3.0 GWh, respectively, as of December 31, 2025. Battery energy storage system and battery cell capacities are presented on a single-shift and double-shift annualized basis, respectively.

We believe that we offer one of the most comprehensive crystalline silicon solar power product lines in the industry, encompassing modules with medium to high power outputs. Our products include advanced N-type TOPCon modules. These modules are designed for use across residential, commercial, industrial, and utility-scale solar power generation systems. We market our solar modules under the "Canadian Solar" brand to distributors, system integrators, project developers, and EPC companies worldwide.

Our e-STORAGE provides integrated utility-scale battery energy storage solutions, including turnkey and bankable system solutions across various applications, long-term service agreements and future battery capacity augmentation services. As of December 31, 2025, e-STORAGE had a contracted backlog, including long-term service agreements, of approximately $3.6 billion.

In 2022, we introduced SolBank, our propriety lithium iron phosphate ("LiFePO4") battery system designed for utility-scale applications. In 2023, we introduced SolBank 3.0, featuring a 5 MWh capacity, an active balancing battery management system ("BMS"), advanced liquid cooling and humidity control, and compliance with the latest international safety and compliance standards.

In 2022, we also introduced EP Cube, our residential battery energy storage product in the U.S., and have since expanded to new markets, including Europe and Japan.

Recurrent Energy

Recurrent Energy primarily develops, builds, sells, and operates solar power and battery energy storage projects, while also providing power services (O&M) and asset management. Prior to the rebranding of the Recurrent Energy segment, we referred to this segment as Global Energy until April 2023.

Recurrent Energy develops solar power and battery energy storage projects globally, including in North America, Europe, Latin America, Japan, Australia, and other countries of the Asia Pacific region. As of December 31, 2025, we managed approximately 15.0 GW of solar and battery storage projects under O&M contracts. We focus on capturing greater asset value and retaining ownership of projects in select markets to increase long-term revenues through recurring income, primarily from the sale of electricity and other related services generated by our operating portfolio. Our solar and storage pipelines reflect our project development strategy, allowing us to capitalize on demand for renewable energy projects and enhance long-term revenue generation.

Recurrent Energy Key Development

In January 2024, Canadian Solar Energy Group B.V. and Recurrent Energy B.V., our subsidiaries, entered into a purchase and sale agreement with GRP IV UK Holdco Limited ("GRP IV"), which is managed by BlackRock, Inc.'s climate infrastructure business ("BlackRock") to issue Series A preferred shares of Recurrent Energy B.V. ("Series A Preferred Shares") to GRP IV. GRP IV subsequently assigned its rights, liabilities and obligations under the agreement to GRP IV Rose Bidco Ltd. ("Investor"), an affiliated entity that is also managed by BlackRock. The expected purchase and sale transaction has been completed following an initial closing in May 2024 and a subsequent closing in September 2024. As agreed between the parties, with these closings, BlackRock's total investment has reached $500.0 million, representing 20% of the outstanding fully diluted shares of Recurrent Energy B.V.'s fully diluted shares on an as-converted basis as determined immediately upon closing.

Dividends

Pursuant to the transaction documents, either (a) Recurrent Energy shall, to the extent permitted by law and specifically authorized and declared by Recurrent Energy's board of directors in respect of a given calendar quarter, pay in cash to the holders of Series A Preferred Shares dividends in respect of each outstanding Series A Preferred Share at a per annum rate equal to 9% of the Stated Value of such share or (b) to the extent of any portion of the dividend not paid in cash, such amount will automatically be added to the Stated Value of the Series A Preferred Shares. Amounts added to the Stated Value as described above ("Accretion Amounts") will continue to accrue at the same 9% annual rate and compound on a quarterly basis, subject to certain adjustments. The "Stated Value" referred to above generally represents the original purchase price of the Series A Preferred Shares plus the compounded Accretion Amounts plus any accumulated preferred return that has not been paid in cash or added to the Stated Value as an Accretion Amount and is determined as of each calendar quarter. Subject to the foregoing, the transaction documents place limitations on the payment of dividends absent the unanimous approval of the shareholders.

Voting Rights

The holders of the Series A Preferred Shares are generally entitled to vote, on an as-converted basis, on all matters upon which holders of ordinary shares have the right to vote in the general meeting of Recurrent Energy (voting together as a single class with the holders of the ordinary shares of Recurrent Energy). Holders of the Series A Preferred Shares are entitled to appoint one director to the board of Recurrent Energy. So long as any Series A Preferred Shares are outstanding, the prior written consent of any holders of at least 60% of the Series A Preferred Shares will be required before Recurrent Energy or its subsidiaries take certain actions.

Liquidation Events

The Series A Preferred Shares rank senior to Recurrent Energy's ordinary shares with respect to rights upon the voluntary or involuntary liquidation, dissolution or winding up of Recurrent Energy or upon a deemed liquidation event (collectively, a "Liquidation Event"). Deemed liquidation events include, among other events, a sale of 50% or more of the assets of Recurrent Energy or a merger, consolidation, equity sale or similar transaction involving the transfer of beneficial ownership of 50% or more of the voting power or economic interest of the outstanding capital stock of Recurrent Energy, subject to certain limitations (a "Company Sale"), and the occurrence of an Exit Demand (as defined below).

Upon a Liquidation Event, the holders of Series A Preferred Shares then outstanding shall be entitled to be paid out of the assets of Recurrent Energy available for distribution to its shareholders, or otherwise received by shareholders in connection with such Liquidation Event, before any payment shall be made to the other shareholders, an amount per Series A Preferred Share equal to the greater of (i) 1.3 times the Stated Value, and (ii) such amount distributable per ordinary share had all Series A Preferred Shares been converted into ordinary shares immediately prior to such Liquidation Event (the "Preferred Liquidation Amount"). If the assets of Recurrent Energy available for distribution to its shareholders shall be insufficient to pay the full Preferred Liquidation Amount, the holders of Series A Preferred Shares shall share ratably in any distribution of the assets available for distribution.

Exit Rights

At any time on or after the fifth anniversary of the first closing (i.e., May 31, 2024), Investor shall be entitled to cause Recurrent Energy to use commercially reasonable efforts to effect (1) a Company Sale resulting in proceeds in respect of the Series A Preferred Shares equal to at least the Preferred Liquidation Amount (an "Investor Exit") or (2) a qualified primary public offering of the ordinary shares of Recurrent Energy (an "IPO"), by delivering a written notice (an "Exit Request") to Recurrent Energy. If an Investor Exit or qualified IPO is not consummated within two years of the delivery of an Exit Request, Investor shall have the right to cause Recurrent Energy and its affiliates to effect an Investor Exit or qualified IPO (an "Exit Demand"). In the event of the closing of an IPO, all outstanding Series A Preferred Shares shall automatically be converted into a number of ordinary shares of Recurrent Energy equal to the greater of (i) the original liquidation preference of the Series A Preferred Shares divided by the conversion price in effect at such time and (ii) 1.3 times the Stated Value divided by the fair market value of such shares, with such fair market value being deemed to be equal to the public offering price per share disclosed in the final prospectus for such IPO.

The original liquidation preference shall initially be equal to the purchase price, subject to adjustment for share splits, share dividends or returns, reverse splits, combinations, recapitalizations and similar transactions. The conversion price shall initially be equal to the purchase price, subject to anti-dilution adjustment as provided in the terms of the Series A Preferred Shares.

Redemption and Conversion Rights

On and after the five-year anniversary of the first closing (or an earlier Exit Demand pursuant to an ESG Default in accordance with the shareholders' agreement), the Series A Preferred Shares may be redeemed, in whole or in part, at the option of Recurrent Energy upon 30 days' prior written notice delivered to all holders of Series A Preferred Shares (an "Optional Redemption Notice").

Following receipt of the Optional Redemption Notice, any holder of Series A Preferred Shares may elect, in its sole discretion, to convert all or any number of the shares subject to redemption into ordinary shares at the then effective conversion price, in which case Recurrent Energy shall not redeem such Series A Preferred Shares (i.e., the number of Series A Preferred Shares to be redeemed by Recurrent Energy shall be reduced by the number of Series A Preferred Shares so converted). In addition, each holder of Series A Preferred Shares shall have the option to convert all or any of its Series A Preferred Shares upon the occurrence of a Company Sale and certain other monetization events, into a number of ordinary shares of Recurrent Energy equal to the greater of (i) the original liquidation preference of the Series A Preferred Shares divided by the conversion price in effect at such time and (ii) 1.3 times the Stated Value divided by the fair market value of such shares.

Our Products and Services

We market our products primarily under our own brand names, including "Canadian Solar", "CSI", "CS PowerTech", "CSI Solar", "Recurrent Energy", "e-STORAGE", "SolBank", "KuBank" and "EP Cube."

CS PowerTech and CSI Solar

Solar Modules

We offer high-efficiency solar modules with power outputs ranging from 450W to 740W, using mono-crystalline cells in various configurations. We introduced module products utilizing 210 mm x 210 mm square wafers and 182 mm x 210 mm rectangular wafers. Our mainstream solar modules include (i) CS7N-TB-AG (TOPCon, 132 half-cells, 210 mm x 210 mm wafer, bifacial), (ii) CS6.2-66TB (TOPCon, 132 half-cells, 182mm x 210 mm wafer, bifacial), and (iii) CS6.2-66HB (HJT, low carbon module, 132 cells, 182mm x 105 mm wafer, bifacial). These products are designed for residential, commercial and utility-scale applications. We are committed to providing customers with high-efficiency and reliable PV module products and related services.

During the period from 2021 to 2024, we mass-produced TOPCon and HJT cells and modules. In 2025, we developed the next-generation TOPCon SMBB-Ultra technology for the TOP(Bi)HiKu6 products, which optimizes cell and module technologies to achieve higher module power. In addition, we enhanced optical absorption by introducing total-reflection interval films and ultra-high-transmittance anti-reflective coatings on the PV-glass surface. Through these improvements, the module power output of CS6.2-66TB has been increased up to 655W, with module efficiency of 24.2%, which may contribute to lower levelized cost of electricity ("LCOE") at the system level.

Based on the technology platform of TOP(Bi)HiKu6 products, we have developed a series of differentiated PV module products. For example, our anti-dust PV modules are designed to reduce the accumulation of dust at the edges of the module during long-term use through special structural design, which may increase electrical power generation. Our sound barrier PV modules have been installed along the highway. Our anti-glare PV modules have been used in environments requiring low light reflection. Aesthetic and insulated composite frames have also been introduced in our module products and used in rooftop projects.

We have developed CS6.2-66TB-HP anti-hail PV module, which can pass a 55 mm hail test to meet hail resistance requirements for the U.S. market. The CS6.2-66TB-HP also provides improved load resistance and fire resistance compared with conventional PV modules.

In 2025, we launched the CS 6.2-66HB-H product for utility-scale applications, with HJT cell size of 182mm x 105 mm and module power of up to 640W. This product features high efficiency, high bifaciality, a low temperature coefficient and lower carbon emissions, and is suitable for both utility-scale and rooftop applications.

Battery Energy Storage

Our battery energy storage solutions provide proprietary high-performance, safe and reliable energy storage systems for utilities, independent power producers, and commercial and industrial business. These solutions provide the balance of energy delivery with energy consumed, including absorption of excess energy in the systems and release for when it is needed, and enhance power resilience across multiple applications.

Battery energy storage demand is growing across various utility and grid opportunities and applications including energy arbitrage, reserve capacity, flexible peaking, resource adequacy, grid frequency regulation and voltage control. We have introduced our high-energy and high-power storage power block with integrated lithium iron phosphate ("LiFePO4" or "LFP") battery system designed to meet market demand for 1 to 4 hours of energy storage duration. We offer turn-key solution, integrating battery storage, power conversion system and energy management system, complemented by long-term service agreements, including operation and maintenance, capacity augmentation, system performance optimization, warranty, and other services throughout the system operational life. We also provide comprehensive services and capabilities with project installations, including consulting and project engineering, procurement, and construction ("EPC") management.

To drive growth and innovation in battery energy storage, we have invested significantly into developing proprietary products, technologies, and manufacturing processes. In 2021, we began designing DC battery storage systems, including battery modules and packs, under the "SolBank" brand. In 2022, we launched SolBank 1.0, featuring a LiFePO4 battery system for utility-scale applications, with capacity of up to 2.967 MWh. In 2023, we launched SolBank 3.0, with power up to 2.35 MW and capacity of 5 MWh. SolBank 3.0 integrates high energy density cells, advanced safety system, smart liquid cooling and active balance system controls. Housed in a 20-ft container, SolBank 3.0 provides up to 45% increase in product-level capacity and up to 40% decrease in commissioning time compared to its previous generation. SolBank 3.0 is equipped with a pack and electrical redundancy protection system, abnormal performance detection, multi-level fire alarm and suppression protection system designed to enhance product safety. Its optimized thermal management lowers auxiliary power consumption by up to 30% compared to its previous generation. Its flexible, modular design enables compatibility with various power conversion systems ("PCS"). In addition, SolBank 3.0 has passed large-scale fire testing conducted in accordance with applicable international standards, including UL 9540A test methodologies, demonstrating its ability to mitigate thermal propagation and enhance system-level fire safety performance.

In 2022, we launched our residential battery energy storage product, EP Cube, an all-in-one residential battery energy storage solution designed to optimize solar self-consumption. Initially introduced in the U.S., it has since expanded to Europe and Japan. The EP Cube system offers scalable capacities ranging from 9.9 kWh to 19.9 kWh per unit, with full system capacity up to 119.9 kWh.

In 2025, we launched FlexBank 1.0, a modular utility-scale energy storage system designed for large-scale applications. FlexBank 1.0 delivers up to 8.36 MWh of energy capacity and features a modular open-frame architecture that enables each cabinet to serve as an independent building block, simplifying logistics, installation and site layout. Built on our 314 Ah LFP cell technology, FlexBank 1.0 incorporates a multi-tiered protection system, including heat barriers, a three-level electrical protection system and advanced cell-level precision management. The FlexBank platform also serves as a foundation for future battery technologies featuring higher amperage cell formats and improved performance characteristics. The system is expected to be ready for deployment in 2026.

In 2025, we expanded our commercial and industrial energy storage portfolio with the launch of KuBank 2.0, a modular LFP battery energy storage system designed for commercial, industrial and similar applications. KuBank 2.0 features an integrated battery management system and a scalable architecture that allows multiple units to be connected in parallel to meet varying power and energy requirements. KuBank 2.0 delivers up to 277 kWh of energy capacity. The system is designed for outdoor operation, incorporates multi-level safety protections and thermal management, and is certified to applicable international safety and performance standards. It supports applications use cases such as peak shaving, demand management and energy optimization.

As of December 31, 2025, e-STORAGE had a contracted backlog, including long-term service agreements, of approximately $3.6 billion.

Solar System Kits

Our solar system kit is a ready-to-install package consisting of solar modules produced by us and third-party components, such as inverters, racking system and accessories. These kits cater to various applications, including residential and commercial rooftops.

Power Electronic

We began developing residential inverters in 2017 and launched our first inverter products in 2019. Our power electronic products cover a comprehensive range of inverters tailored for residential, commercial, industrial and utility-scale solar and energy storage applications. Our product lineup include the 3-5 kW and 7-9 kW residential inverter models, the 15-25 kW, 40-60 kW and 75-125 kW C&I inverter models, the 320kW, 333kW and 350kW utility-scale inverter models, and 200kW and 215 kW models power conversion system (“PCS”) for energy storage. In 2022, we introduced our first internally developed and manufactured 3-phase string inverter for commercial and small utility-scale applications. In 2023, we launched our 1500Vdc 320 kW string inverter and 1500Vdc 200 kW string PCS products, which further enhance our offerings in the utility-scale and energy storage markets.

EPC Services

CSI Solar provides turnkey EPC services in China for ground-mounted solar power and battery energy storage projects, as well as large-scale distributed systems for C&I customers. Our services encompass system design, procurement, installation, testing and commissioning.

Long-term Service Agreements (LTSA)

The LTSA, all previously executed by our e-STORAGE platform, support the long-term operation and maintenance of the battery energy storage systems, contributing to grid reliability and stability.

Recurrent Energy

Solar Power and Battery Energy Storage Asset Sales

We develop, build and sell solar power and battery energy storage projects. Our project development activities encompass site selection, land acquisition, securing interconnection, structuring PPA or similar offtake contract, obtaining permits, and managing procurement and construction. We actively pursue suitable buyers for our projects. See "—Sales, Marketing and Customers—Recurrent Energy."

Revenue from Electricity and Battery Energy Storage Operations

We operate select solar power and battery energy storage projects, generating revenue through electricity sale and related services. The majority of electric power generated by our solar power projects is contracted under long-term PPA, VPPA, or contracts for capacity and ancillary services, with public utilities, licensed suppliers, corporate offtakers and commercial, industrial or government end users.

Power Services (O&M)

Our power services include monitoring, inspections, repair and replacement of project equipment, site management and administrative support services for projects in operation. We leverage advanced technologies such as semi-automated module washing, autonomous vegetation management, machine-learning predictive maintenance and drone inspections. We continue to enhance our service offerings with ongoing technological investments.

Supply Chain Management

CS PowerTech and CSI Solar

Our manufacturing operations depends on a stable and cost-effective supply of polysilicon, solar ingots, wafers, cells and lithium battery cells. We have entered into long-term agreements with various silicon raw material and wafer suppliers, particularly during periods of tight upstream supply. These agreements specify price, quantity, delivery terms and technical specifications. While they usually include specific price terms, most of them also incorporate upward or downward price adjustment mechanisms based on market conditions. In line with industry practice, we make advance payments without collateral for scheduled deliveries, which are credited against purchase prices. We sourced all silicon raw materials from third parties and continue to diversify our polysilicon, wafer, cell and lithium battery cell suppliers.

For risks related to the long-term supply agreements, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Oversupply of polysilicon, solar wafers, cells and modules may cause substantial downward pressure on the prices of our products and reduce our revenues and earnings" and "—Supply chain disruptions, cost increases or performance issues could adversely affect our business and relationship with customers, particularly given our dependence on a limited number of key suppliers."

Recurrent Energy

Recurrent Energy procures solar modules and battery energy storage products from CS PowerTech and CSI Solar in transactions intended to be priced on an arm's length basis, as well as from certain third-party suppliers. We have centralized procurement operations to optimize project construction costs and secure competitive terms with key suppliers, enhancing our ability to compete on cost given the large procurement quantities.

Manufacturing, Construction and Operation

CS PowerTech and CSI Solar

Our solar module manufacturing process integrates automation and quality control to enhance efficiency and product consistency. We assemble modules by interconnecting solar cells by tabbing and stringing them into a desired electrical configuration, laminate them under vacuum, cure them by heating, and package them within protective lightweight anodized aluminum or steel frames to withstand the environment. We seal and weatherproof our solar modules to withstand high levels of ultraviolet radiation, moisture and extreme temperatures. Key manufacturing equipment includes automatic laminators, simulators and solar cell testers. Our flexible production lines balance automation and skilled labor to optimize efficiency.

We primarily use in-house manufactured silicon ingots, wafers, solar cells, with a portion sourced from third parties, for our solar module production. Our solar module manufacturing costs in China, including purchased polysilicon and wafers, decreased from $0.169 per watt in 2023 to $0.106 per watt in 2024, and further decreased to $0.09 per watt in 2025. We continue to focus on cost reduction through improvements in solar cell conversion technology and efficiency, manufacturing yields and material sourcing.

Recurrent Energy

We develop, build, sell and operate solar power and battery energy storage projects across North America, Europe, Latin America, Japan, Australia, and other countries of the Asia Pacific region. We manage all aspects of project development and operations, including site selection, design, permitting, engineering, procurement, construction and operations, utilizing in-house teams or third-party contractors based on project requirements and resource availability.

The development process for our solar power and battery energy storage projects consists of the following key stages:

- *Market due diligence and site selection.* We actively identify global project opportunities to maintain a robust pipeline and geographically diversified portfolio. Our business team engages with developers and gathers market intelligence to identify project opportunities that leverages on our strengths and capabilities. Our development team conducts market analysis, financial modeling and feasibility studies to evaluate projects, considering location, electricity markets, political and regulatory landscape, financing costs and expected returns.
- *Permitting and approvals*. We obtain or acquire projects with the necessary permits and approvals, which vary across jurisdictions.
- *Interconnection analysis.* We assess grid connection feasibility and optimize interconnection plans to ensure cost efficiency and timely execution.
- *Financing*. We typically incorporate project financing plans in our financial models and feasibility studies. We fund projects through working capital, debt financing from local and international banks, and tax credit monetization in select markets. Financing structures may involve equity pledges, asset security interests over assets, and parent guarantees.
- *Project design, engineering, procurement and construction.* Our engineering team designs projects to optimize performance while minimizing construction and operational costs and risks. This includes site layout, electrical design, and selecting the appropriate technology and key components such as solar modules, inverters and battery energy storage systems. The projects primarily procure solar modules and battery energy storage products from CSI Solar, while other components are sourced from third parties.

Currently, we have owned and operated solar power and battery energy storage projects in the U.S., Europe, Latin America, Japan and other countries in the Asia Pacific region. Once connected to the grid, our projects regularly undergo inspections, monitoring, and management to maximize utilization, power generation and system lifespan.

We operate a real-time monitoring center in Ontario, Canada, overseeing operational performance and managing power services (“O&M”). The system is designed to raise alerts for underperforming inverters or strings, ensuring timely interventions. Our cloud-based platform utilizes our proprietary systems and algorithms for predictive maintenance for both self-owned and third-party projects, tracking work orders, warranty claims, spare parts, health and safety incidents, and operational reports.

Quality Control and Certifications

We have registered our quality control system in compliance with ISO9001:2015 and IEC62941 standards. TÜV Rheinland Group, a leading international service provider for safety and quality certifications audits our quality systems. We inspect and test incoming raw materials, monitor our manufacturing processes, and conduct reliability and other tests on finished products to ensure quality control.

We maintain various international and domestic certifications for our solar modules. For example, we have obtained IEC61215/ IEC61730 certifications for sales in Europe, UL61730 certifications for North America, and other necessary certifications for China, Japan, Korea, India, Brazil, Australia, Colombia, Israel, Italy, the U.K. and Indonesia. IEC certifications are issued by Verband Deutscher Elektrotechniker, or VDE, while UL certifications are issued by the Canadian Standards Association, or CSA. Our module products comply with the latest standards, including IEC 61215:2021, IEC61730:2023 and UL61730 Ed.2-2022, and meet regional regulations. Our module products have achieved high California Energy Commission, or CEC, PVUSA test condition ratings. Further, our module products have passed extended stress program qualifications, such as salt mist testing and ammonia testing, as well as extra-standard or high-frequency testing programs on multiple quality factors with PVEL and RETC. We have continuously improved our silicon, ingot, wafer, cell and module production processes to maintain a competitive carbon footprint certification for the French solar tender requirements. Our TOPCon modules obtained certification under the French Programmation Pluriannuelle de l'énergie ("PPE2" & "PPE2 V2") solar tender program.

Our PV test laboratory is accredited by the China National Accreditation Service for Conformity Assessment (the "CNAS") under ISO17025 quality management standard, and has been approved into various Data Acceptance Program, namely CSA, VDE, TÜV SÜD, Dekra and China General Certification, or CGC. This allows us to conduct a portion of the product certification testing in-house, reducing time-to-market and certification costs, and performing exhaustive product and component reliability research to enhance product durability.

Our Power Conversion System ("PCS") has obtained GB/T34120 and GB/T34133 certifications in China. We also maintained various certifications according to local business requirements for our PV inverters, including IEC62109 and IEC62116 safety certifications and CQC certification in China, KSC 8565 and KSC 8567 in Korea, RS097 in South Africa, 140 and 515 in Brazil, and EN50549-1, EN50549-2, CEI0-21, CEI0-16, RD1699, NTS2.1, VDE4105 and PPDS in Europe.

Our energy storage products comply with the regulatory requirements and industry standards of major global markets. For example, we have obtained certifications from TÜV Rheinland for compliance with the EU's Low Voltage Directive, Electromagnetic Compatibility Directive, Battery Regulation, as well as the RoHS and REACH regulations. In addition, our products hold relevant IEC certifications, including but not limited to IEC 62619, IEC 62477 and IEC 62933. For the Chinese market, our products meet the requirements GB/T 36276 and GB44240. In North America, we have obtained UL 9540A, UL 1973 and UL 9540 certifications, and also obtained NFPA 68 and NFPA 69 simulation reports issued by TÜV Rheinland. To meet the requirements of the latest NFPA 855:2026 standard, our SolBank product completed the Large-scale fire test, with the entire process witnessed by the Energy Storage Response Team and the Canadian Standards Association.

Our remaining products are undergoing certification processes before entering relevant markets to ensure compliance with global regulatory and grid connection requirements.

Sales, Marketing and Customers

Our large and diversified customer base includes active customers in more than 160 countries. Our revenue sources have fluctuated significantly over recent years, and a significant and growing portion of our revenues are generated in the U.S. For example, the Americas contributed 34.4%, 51.8% and 56.4% of our revenues in 2023, 2024 and 2025, respectively; Asia contributed 41.0%, 30.0% and 22.3%, respectively; and Europe and other regions contributed 24.6%, 18.2% and 21.3%, respectively.

CS PowerTech and CSI Solar

Our primary customers are distributors, system integrators, project developers, installers and EPC companies. Historically, a small number of customers have accounted for a significant portion of our net revenues. In 2023, 2024 and 2025, our top five customers accounted for 13.4%, 17.8% and 17.4% of our total net revenues, respectively, while our largest customer in these years accounted for 3.5%, 5.4% and 4.5%, respectively. We market and sell solar modules worldwide for residential, commercial and utility-scale solar applications. Sales are primarily executed through our direct sales team operating globally.

Our marketing initiatives include brand sponsorships, digital marketing, social media engagement, and channel marketing programs to support customers in promoting our products and business. We provide product training, sales training and new product briefings to enhance customer engagement. Our marketing team also focuses on public relations and crisis management to protect and strengthen our brand image. By collaborating closely with our sales teams and leading solar research firms, we are well positioned to deliver up-to-date market insights on a continuous basis to support sales strategies and decision-making.

Our strong brand reputation is reinforced by multiple industry awards and recognitions, reflecting our commitment to quality and innovation. In 2024, we were ranked first among Energy & Utility companies in Newsweek's World's Most Trustworthy Companies list and were named a Top 10 Battery Energy Storage System Integrator by S&P Global. We also received the Top Brand PV Award USA 2024 from EUPD Research, recognizing our leadership in the photovoltaic sector. In 2025, we were ranked second in Wood Mackenzie's Solar Module Manufacturer Ranking and were designated as a Tier 1 Solar Company by BloombergNEF. In the energy storage sector, we were recognized as a Tier 1 Energy Storage Manufacturer by BloombergNEF and as a Tier 1 Battery Energy Storage System Supplier by S&P Global. Additionally, EP-Cube, our proprietary energy storage cell technology, received the 2025 iF Design Award and the Gold 2025 iF Design Award, recognizing its design and technological excellence. These accolades reinforce our market positioning and strengthen customer trust in our products and solutions globally.

As we expand our manufacturing capacity and enhance our brand with broader system solutions, we continue to develop new customer relationships across diverse geographic markets to reduce dependency on any single market. We continuously engage with a broad array of industry participants, including utilities, independent power producers, developers, EPCs, distributors, and corporate offtakers. We plan to further invest in research and development to introduce more compatible, reliable and cost-effective products and solutions, strengthening our competitive position in the global solar modules and battery energy storage market.

In addition, we target our sales and marketing efforts for specialty solar products at companies in selected industries, including automotive, telecommunications and LED lighting. As standard solar modules become increasingly commoditized and technology advancements enable broader off-grid solar applications, we intend to increase our sales and marketing efforts on specialty solar products. Our sales and marketing team collaborates with our specialty solar product development team to adapt to evolving customer preferences and market demands, ensuring our sales and marketing team's effective communication to customers of product developments and innovations. As the specialty solar market grows, we aim to expand into additional sectors and establish new relationships.

We are also expanding our direct sales channel to sell modules and other solar system components, both as system packages and stand-alone components, to EPCs, developers, contractors and installers. This expansion reduces customer concentration risk, while mitigating payment and demand fluctuations. To reach smaller contractors and installers which we do not directly serve, we maintain strong sales channels and relationships with key distribution partners. Concurrently, we have expanded our key account and utility-scale sales channels, selectively increasing our market share amid growing demand for mid-scale to large-scale solar power plants. This expansion is driven by our high-efficiency, large-format module portfolio, which optimizes LCOE for large commercial and utility-scale projects.

We leverage our extensive customer and supply chain network to provide competitive stand-alone battery energy storage solutions and integrated "Photovoltaic + Storage" hybrid solutions. Our ongoing investments in research and development and our advancements in battery energy storage products and technology, strengthen both our downstream product offerings and upstream integrated battery energy storage manufacturing capabilities.

Recurrent Energy

We develop, build, sell and operate solar power and battery energy storage plants across North America, Europe, Latin America, Japan, Australia and other countries of the Asia Pacific region. Our customers include utilities, independent power producers and energy investors, while our power services (O&M) and asset management customers include other solar and battery storage project developers and owners. To expand market reach and strengthen project sales, we conduct market due diligence, engage regularly with industry operators and investors, and participate in industry conferences and events.

Our sales pipeline reflects our project development strategy, allowing us to capitalize on demand for renewable energy projects and providing flexibility to pursue a balance of project sales and project ownership, depending on market conditions and capital availability.

The following table presents our total solar pipeline:

Total Solar Pipeline by Region as of December 31, 2025 (in MWp)

Region	Under Construction	Backlog	Advanced Development	Early-Stage Development	Total
North America	276	556	427	3,923	5,182
EMEA	674	1,687	1,033	4,995	8,389
Latin America	128	374	352	6,256	7,110
Asia Pacific	492	616	546	2,080	3,735
Total	1,570	3,233	2,358	17,254	24,415

Note: Total project pipeline represents the gross MWp size of the projects owned by us (including through our investments in affiliates), and includes 63 MWp under construction and 441 MWp in backlog partially sold to third parties.

The following table summarizes our battery energy storage pipeline:

Total Storage Pipeline by Region as of December 31, 2025 (in MWh)

Region	Under Construction	Backlog	Advanced Development	Early-Stage Development	Total
North America	600	200	600	21,540	22,940
EMEA	43	2,590	3,829	31,955	38,417
Latin America	—	—	1,320	4,645	5,965
Asia Pacific	162	2,640	2,981	10,380	16,163
Total	805	5,430	8,730	68,521	83,485

Note: Total project pipeline represents the gross MWh size of the projects owned by us, and includes 13 MWh under construction and 1,194 MWh in backlog partially sold to third parties.

Backlog projects are late-stage projects that have passed their risk cliff date and are expected to start construction within the next 1-4 years. A project's risk cliff date is the date on which the project passes the last perceived high-risk development stage and varies depending on the country where it is located. Typically, this occurs after the project receives all required environmental and regulatory approvals and enters into interconnection agreements and offtake contracts, including FIT and PPA. A significant portion of backlog projects are contracted (i.e., have secured FIT or PPA), while the remaining projects have a reasonable assurance of securing PPAs.

Advanced development projects are mid-stage projects that have either secured or have more than 90% certainty of securing an interconnection agreement. Early-stage development projects are early-stage projects controlled by Recurrent Energy that are in the process of securing interconnection rights.

We actively develop both stand-alone battery energy storage projects and hybrid solar-plus-storage projects. Most of our projects under development includes the co-hosting of battery energy storage systems with solar power facilities on shared land, improving efficiency through a single interconnection point for each project to serve the solar and battery energy storage energy load. This strategy enhances project economics for us and our investors.

In addition, our track record includes several storage tolling agreements with a variety of power purchasers, including community choice aggregators, investor-owned utilities, universities, public utility districts and development services agreements to retrofit operational solar projects with battery energy storage, many of which were previously developed by us.

Our projects business is capital intensive and requires significant investment in the development, construction, ownership of solar power and battery energy storage assets, including equity investments in project affiliates. These projects typically involve multi-year development cycles and construction cycles and require substantial upfront expenditures, such as grid interconnection deposits and letters of credit, land acquisition, permitting, legal, equipment procurement and construction costs, before projects achieve commercial operation and any returns are realized. The scale and timing of these investments may be affected by project execution risks, regulatory or policy developments (including changes in trade measures or tariffs), and supply chain constraints. In addition, our capital requirements may vary depending on the pace of development, construction progress, and our strategy with respect to balancing project sales and asset ownership. If existing sources of financing are not sufficient to support planned development, construction, or asset acquisitions, we may seek additional equity financing, adjust the timing or scope of investments, or pursue alternative project structures. Certain of our projects are developed through joint ventures, in which we rely on our partners to fund their proportionate share of capital contributions. Delays in project completion or asset monetization, or changes in financing or partnership arrangements, could affect the timing of returns and the capital available for reinvestment in our projects business.

Customer Support and Service

We are committed to delivering high-quality products through our comprehensive warranty coverage and customer support services. We typically offer a 15 or 25 years warranty against defects in materials and workmanship for our standard solar modules. We offer a 25 to 30 years linear power performance warranty that guarantees the actual power output of our modules.

Our battery energy storage products come with a warranty covering performance and manufacturing defects. The standard warranty typically ranges from 1 to 5 years from the date of installation and is structured as an assurance-type warranty, guaranteeing quality within specified usage parameters. Customers have the option to separately purchase extended warranties and performance guarantees for up to an additional 15 years. To support these warranties, we have obtained warranty backing from our suppliers.

For solar power and battery energy storage projects built under our EPC contracts, we provide major equipment warranties and limited workmanship or balance of system warranties against defects in engineering, design, installation and construction under normal use, operation and service conditions generally for a period of two to five years following project commissioning. To resolve warranty claims, we may repair, refurbish or replace equipment as needed. We have obtained similar warranty backing from our suppliers.

Our customer support and service function handles technical inquiries and warranty-related issues, ensuring that our customers receive timely and professional assistance. We have expanded our capacity in this area to enhance our responsiveness and efficiency in resolving warranty claims.

Historically, we have agreements with a group of insurance companies to reduce some of the risks associated with our warranties. See “—Insurance” below.

Competition

CS PowerTech and CSI Solar

The markets for solar power and battery energy storage products are highly competitive and continually evolving. We face intense competition from companies, such as First Solar, Inc., LONGi Green Energy Technology Co. Ltd., Trina Solar Limited, JinkoSolar Holding Co., Limited, JA Solar Co., Limited and Tongwei Solar Co., Ltd, and battery energy storage companies, such as Tesla, Inc., Fluence Energy, Inc. and Sungrow Power Supply Co., Ltd. Some module competitors are developing or are currently producing products based on new technologies that may ultimately offer lower costs or better performance than our products. These include products based on IBC PV technology, which reduces shading by locating metal contacts at the cell to the rear side and increasing power density through larger area for photo absorption. To compete effectively, our products and production capacity are undergoing continuous transformation. For example, while crystalline silicon cell modules have become the market mainstream, we have significantly upgraded our production to N-type and TOPCon technology, which is focused on further improving the photoelectric conversion efficiency and reducing the manufacturing cost. Some competitors operate vertically integrated models, spanning upstream polysilicon manufacturing to downstream solar system integration. The solar power market also competes with other sources of renewable and alternative energy as well as conventional power generation.

We believe that competition in the solar power and battery energy storage markets is driven by multiple factors, including pricing, the ability to deliver products to customers on time and in required volumes, product quality and customer service, nameplate power or capacity and other performance parameters such as power tolerances, value-added services such as system design and installation, value added features that make products easier or cheaper to install, availability of bundled system components such as mounting systems, brand equity and reputation, including the willingness of banks to finance projects using products produced by a particular supplier, customer relationships and distribution channels, and the aesthetic appearance of products.

In the immediate future, our competitiveness will depend on our ability to deliver cost-effective products in a timely manner and to develop and maintain a strong brand based on high-quality products and strong relationships with customers. Our competitiveness also depends on effectively managing our cash flow and balance sheet and maintaining relationships with financial institutions that fund solar power and battery energy storage projects. We believe that the solar industry is experiencing accelerated market concentration by large players. We believe that such industry concentration will benefit us in the long term. To compete successfully, we aim to produce innovative, high-quality products at competitive prices and develop an integrated sales approach that includes services, ancillary products, such as mounting systems and inverters, and value-added product features. Our goal is to offer our customers products that deliver the lowest LCOE or Levelized Cost of Storage ("LCOS"), focusing particularly on high-priced markets and segments, such as the distributed generation market, which includes commercial, industrial and residential applications. We also believe that a robust marketing program and strong relationships with customers and suppliers will support us in this competitive environment.

Recurrent Energy

Our primary competitors are local and international developers, operators of solar power and battery energy storage projects, financial investors and certain utility companies. Our business is capital-intensive with numerous participants. These competitors vary in size, geographic focus, financial resources and operating capabilities. The commercial and regulatory environments for solar power and battery energy storage project development, sale and operation vary significantly across regions and countries. We develop and build and, in some cases operate and maintain, solar power and battery energy storage projects in various regions including North America, Europe, Latin America, Japan, Australia and other countries of the Asia Pacific region. While local policy frameworks on battery energy storage remain relatively new, many new entrants are seizing market opportunities.

We believe that competition in the global solar power and battery energy storage project development is influenced by several factors, including greenfield development capabilities, scale of secured solar power and battery energy storage interconnection pipelines, geographic diversification of project pipelines, degress of vertical integration with upstream manufacturing, reputation and track record, relationships with government authorities and local stakeholders, and knowledge of local policies. Competitive positioning is also affected by access to working capital and relationships with local and international banks, and, in select markets, tax equity investors, and the experience of management teams, technical personnels, and capabilities in managing construction and operations.

We cannot, however, guarantee that some of our competitors do not or will not have advantages over us in particular markets or in general, including greater operational, financial, technical, management or other resources.

For further discussion of the competitive risks that we face, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Our industry is highly competitive and many of our competitors have greater resources than we do or are more adaptive."

Insurance

We maintain insurance against some, but not all, potential risks and losses associated with our industry and operations. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. We maintain property insurance policies with reputable insurance companies to cover our equipment, facilities, buildings, inventories and buildings under construction. The coverage of these insurance policies includes losses due to natural hazards and losses arising from unforeseen accidents. Certain of our manufacturing facilities are covered by business interruption insurance. In addition, our solar power and battery energy storage projects are supported by a broader insurance program tailored to construction and operational risks, although, any material damage or interruption to any of our manufacturing facilities or operational assets could still have a material and adverse effect on our results of operations. We also maintain commercial general liability, including product liability coverage, as well as insurance covering certain operational, contractual and technology-related risks. We have been purchasing credit insurance from insurers for certain of our accounts receivable trade in order to reduce our exposure to credit loss. Risks related to marine and air for the export of our materials and products are covered under cargo transportation insurance. We also maintain directors and officers' liability insurance.

Environmental Matters

Our major manufacturing operations are certified under ISO14001 (Environmental Management) and ISO45001 (Occupational Health and Safety) standards, with select facilities also certified under ISO50001 (Energy Management). Additionally, Recurrent Energy's O&M business is certified under the ISO45001 standards. These certifications require adherence to waste reduction, energy conservation, injury reduction and other environmental, health and safety procedures and objectives. In addition, our solar power and battery energy storage project developments undergo environmental assessments to evaluate and mitigate potential impacts.

Our solar products comply with environmental regulations in the jurisdictions where they are installed. We ensure compliance with EU Regulation ("EC") No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH"). While solar modules are exempt from EU's Restriction of Hazardous Substances ("RoHS") Directive 2011/65/EU and its amendments, our solar system solutions including string inverters, are subject to and comply with RoHS. We also strictly adhere to Toxicity Characteristic Leaching Procedure ("TCLP") testing for our solar modules portfolio to monitor the presence of toxic metals, including arsenic, barium, cadmium, chromium, lead, mercury, selenium and silver, according to TCLP Standard EPA Test Method 1311, as issued by the U.S. Environmental Protection Agency ("EPA") under the Toxic Substances Control Act ("TSCA") for landfill disposal of solar modules.

Our battery energy storage products are designed to fully comply with all applicable environmental regulations. With the professional support of TÜV Rheinland and TÜV SÜD, our energy storage products offerings have obtained official reports for RoHS, REACH, and the EU Battery regulation 2023/1542. We also enforce strict compliance requirements on our suppliers, ensuring that core components including battery cells and air conditioning units all meet RoHS and REACH standards. In addition, we maintain proactive and ongoing communication with third-party certification bodies to ensure our products align with the latest relevant regulatory requirements at all times.

Our manufacturing operations are subject to regulation and periodic monitoring by local environmental protection authorities. Our solar power and battery energy storage project developments require various environmental related licenses, permits and approvals. We proactively minimize the environmental and ecological impacts of our project development activities. We integrate environmental and ecological impact assessments, along with community engagement, into our internal approval process early in the project development cycle to enhance project sustainability and minimize project delays related to such factors. Non-compliance could result in fines, production suspensions or operational shutdowns. Except as disclosed in the "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China," we believe we have obtained the necessary environmental permits and passed relevant assessments to operate our manufacturing facilities.

Environmental, Social and Governance Initiatives

We integrate ESG principles into our business operations and strategic decision-making and continuously to improve our practices to ensure long-term sustainability. Our key focus areas include:

- *Environmental.* We are committed to providing a safe and enriching work environment for employees and contractors and strive to reduce the environmental impact of our business. We track GHG emissions and energy consumption, water usage and waste generation across our manufacturing facilities. We have meaningfully reduced GHG emissions and energy, water and waste intensities in manufacturing, and have established rolling five-year targets aiming to reduce these intentities. These targets are integrated into the key performance indicators ("KPIs") of our operational teams. We invest in research and development and have implemented new technologies to enhance product efficiency and minimize the environmental impact of our production processes.

- *Social Responsibility.* We are an equal opportunity employer, committed to treating all individuals with fairness and dignity. We closely monitor our hiring and internal promotion practices to ensure equal treatment and access to opportunities for all employees in our workforce. We care about our employees' training and development and have invested in extensive skills and leadership training programs, including our own education courses and programs, which aim to provide our employees with a broader understanding of our business, drive innovation and stimulate effective collaboration. Our education courses and programs further develop our employees' proficiency across multiple disciplines and provide them with learning resources for their key functions. See "Item 6. Directors, Senior Management and Employees—D. Employees." We respect and recognize employees' rights and freedom to associate and bargain collectively. Employee safety remains our top priority, and we have implemented ISO45001 (Occupational Health and Safety) and ISO14001 (Environmental Management) standards to systematically identify workplace hazards and evaluate that relevant control measures are put in place. Our stringent safety policies and procedures have resulted in a low rate of safety-related incidents. In addition, we strive to be a responsible corporate citizen in the communities where we operate by abiding to a strict code of business conduct and ethics and expecting no less from our business partners, including suppliers. We also cultivate long-term relationships with local organizations to ensure we are able to fully integrate solar power and battery energy storage projects into existing energy infrastructure and surrounding communities.

- *Corporate Governance.* Our board of directors oversees the business and affairs of our company, and has a broad range of skills and industry knowledge to ensure the success of our business and create long-term value for stakeholders. We are committed to upholding the highest standards of business ethics, supported by a framework of comprehensive governance documents and guidelines and regular business ethics awareness and compliance training for our employees. By implementing best practices globally across our business operations, spanning from manufacturing to sales and project development, we are committed to ensuring that all employees and business partners are treated fairly, respectfully, and with dignity.

In 2023, we joined the United Nations Global Compact ("UNGC"), the world's largest corporate sustainability initiative. Through this commitment, we support and adhere to the Ten Principles of the UNGC on human rights, labor, environment, and anti-corruption, and take actions to contribute to the United Nations Sustainable Development Goals ("SDGs"), particularly SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

In 2023, we submitted a commitment letter to the Science Based Targets initiative ("SBTi"), pledging our intention to set near-term and net-zero science-based climate targets to decarbonize our operations and value chain, and these targets were formally validated and approved by the SBTi in December 2025. SBTi is a global body enabling businesses to set ambitious emissions reduction targets in line with the latest climate science. The SBTi's goal is to accelerate companies across the world to support the global economy to halve emissions before 2030 and achieve net-zero before 2050. The near term and over all net-zero targets were successfully approved and published by SBTi Services in December of 2025 after regirous validation.

We are committed to achieving the goal of powering all our operations with renewable energy by 2030. To achieve this goal, we will reduce our electricity and energy consumption on a per watt basis while increasing the use of renewable energy. These initiatives may be subject to policy, market or cost barriers in the locations where we operate. We intend to reduce our energy intensity by leveraging our expertise and strength in product technologies, manufacturing process know-how, and energy savings to minimize environmental impact as we grow our business. We will also install rooftop solar power on our manufacturing facilities for self-consumption, procure green energy from third parties and acquire green certificates.

We aim to establish a sustainable, efficient and responsible supply chain that meets our needs and the interests of our stakeholders. We maintain a procurement management strategy which follows a centralized procurement approach, managed at the group level and supported by each division. We require all suppliers to adhere to our Supplier Code of Conduct ("Code"), which sets rigorous standards for human rights, environmental, health, safety responsibilities, and business ethics. We have implemented an ESG auditing program to ensure that our suppliers adhere to our ESG standards as outlined in the Code and to effectively manage ESG risks across our supply chain.

We are committed to proactively protecting biodiversity and minimizing environmental and ecological impact in our project development activities. We integrate environmental and ecological assessments, along with community engagement, early in the project development cycle. These efforts have helped us minimize project delays related to environmental and ecological impacts or community engagement.

In connection with our sustainability reporting, we align our disclosures with the Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") frameworks, with reference to the standards issued by the International Sustainability Standards Board ("ISSB").

Environmental, Social Responsibility and Corporate Governance Policies

We have adopted a comprehensive set of environmental, social responsibility and corporate governance policies that provides a framework for our sustainability commitments and responsible business practices. These policies are publicly available on our website. Our Environment, Occupational Health and Safety Policy outlines the principles and guidelines to environmental protection, workplace safety, and the well-being of employees and others who are affected by our business. To uphold social responsibilities, we have adopted our Labor and Human Rights Policy, Equal Employment Opportunity Policy, Anti-Modern Slavery Policy, Supplier Code of Conduct, and Conflict Minerals Policy. In addition, to maintain the highest ethical standards in the way we conduct our business, we have implemented the following: Corporate Governance Guidelines, Code of Business Conduct and Ethics, Whistleblower Policy, Insider Trading Policy, Clawback Policy, Antitrust Policy, Policy on Related-Party Transactions, Prohibition Against Giving Bribes, and Prohibition Against Accepting Bribes.

Environmental Regulations

At various stages of our manufacturing process, we generate noise, wastewater, gaseous waste and other industrial waste. Our expansion of manufacturing operations heightens the risk of facility incidents that could negatively affect the environment. We are subjected to a wider range of environmental, health and safety laws and regulations governing the storage, use, handling and disposal of hazardous materials, emissions to air and water, waste management and environmental permitting.

In the U.S., we operate a manufacturing facility in Mesquite, Texas and are developing an additional manufacturing facility in Jeffersonville, Indiana. Our U.S. manufacturing operations and facilities are subject to U.S. federal, state and local environmental, health and safety laws and regulations. These regulations govern, among other things, air emissions, wastewater discharges, hazardous and non-hazardous waste management, chemical storage and reporting, occupational health and safety, and environmental permitting.

In addition, CSI Solar's operations are subject to environmental laws and regulations, including the Environmental Protection Law, Law on the Prevention and Control of Noise Pollution, Law on the Prevention and Control of Air Pollution, Law on the Prevention and Control of Water Pollution, Law on the Prevention and Control of Solid Waste Pollution, Law on Environmental Impact Assessment, Law on Promotion of Clean Production, and Regulations on the Administration Environmental Protection in Construction Projects. Some of CSI Solar's subsidiaries are located in Suzhou, China, adjacent to Taihu Lake, a nationally protected water body, and are therefore subject to additional environmental protection requirements, including basin-specific water pollution control regulations and enhanced monitoring and compliance obligations.

Government Regulations

CSI Solar's business activities in China are subject to the PRC Company Law, Renewable Energy Law, Energy Law, Foreign Investment Law and its Implementation Rules, national development plans, industrial policies and other government directives issued by relevant governmental authorities, including the National Development and Reform Commission, the National Energy Administration, the Ministry of Commerce and the State Administration of Foreign Exchange.

Dividend Distribution

The principal regulations governing distribution of dividends paid by CSI Solar include the Company Law and the Foreign Investment Law. Under these regulations, CSI Solar may pay dividends only from retained earnings and is required to set aside no less than 10% of profit after tax as appropriations to a general statutory reserve until such reserve cumulatively reaches 50% of its registered capital. The statutory general reserve and registered share capital are not distributable as cash dividends except in the event of liquidation, and requires approval from the local authorities.

Employment

Employment relationships in China are primarily governed by the Labor Law and the Labor Contract Law, which require mandatory written labor contracts, regulated termination procedures, remuneration, severance compensation, and social insurance contributions. Employees with fixed-term contracts are entitled to an indefinite-term contract if they have either renewed a fixed-term contract twice or worked for the employer for a consecutive ten-year period. Under social laws and regulations in the PRC, employers are required to contribute, on behalf of their employees, to various social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing accumulation funds. These contributions are made to local administrative authorities, and failure to comply may result in fines and orders to remediate unpaid contributions.

Enforceability of Civil Liabilities

Canadian Solar Inc. is a corporation governed by the laws of the province of Ontario, Canada with operations in North America, Asia Pacific, Europe, South America, the Middle East and Africa. We primarily conduct our manufacturing operations in the U.S. and Asia Pacific, including China.

A majority of our directors and officers are residents of countries other than the United States, principally Canada, and a substantial portion of the assets of these persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon those persons. Furthermore, it may not be possible for you to enforce against us or them, in the United States, judgments obtained in United States courts, because a substantial portion of our assets and all or a substantial portion of the assets of those persons are located outside the United States. In addition, our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated. As a result, it may be difficult for a shareholder to effect service of process within the United States upon us or such persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

There are defenses that can be raised to the enforceability, in original actions in Canadian courts, of liabilities based upon the federal securities laws of the United States and to the enforceability in Canadian courts of judgments of United States courts obtained in actions based upon the civil liability provisions of federal securities laws of the United States, such that the enforcement in Canada of such liabilities and judgments is not certain. Therefore, it may not be possible to enforce in Canada those actions against us, our directors and officers.

C Organizational Structure

The following table sets out our principal subsidiaries, including those that are significant under Rule 1-02(w) of Regulation S-X, together with their place of incorporation and our ownership interest:

Name of entity	Place of incorporation	Ownership interest
CS PowerTech Inc.	USA	91 %*
Mesquite Modules Corporation	USA	91 %*
Jeffersonville PVcells Corporation	USA	91 %*
CS Power Systems Inc.	USA	91 %*
Canadian Solar Energy Storage (USA) Inc.	USA	91 %*
Canadian Solar US Renewable Energy Corporation	USA	64 %**
Canadian Solar US Module Manufacturing Corporation	USA	64 %**
Canadian Solar US Cell Manufacturing Corporation	USA	64 %**
Canadian Solar SSES (US) Inc.	USA	64 %**
Canadian Solar (USA) Inc.	USA	64 %**
Recurrent Energy, LLC	USA	100 %***
Recurrent Energy B.V.	Netherlands	100 %***
Canadian Solar New Energy Holding Company Limited	Hong Kong	100 %***
Canadian Solar UY Holding LATAM	Uruguay	100 %
Canadian Solar Brasil I Fundo de Investimento em Participacoes – Multiestrategia	Brazil	100 %
Canadian Solar Solutions Inc.	Canada	100 %
CSI Solar Co., Ltd.	PRC	64 %
CSI Cells Co., Ltd.	PRC	64 %**
Canadian Solar Manufacturing (Luoyang) Inc.	PRC	64 %**
Canadian Solar Sunenergy (Baotou) Co., Ltd.	PRC	64 %**
CSI Solar Technology (Xining) Co., Ltd	PRC	64 %**
Canadian Solar Manufacturing (Changshu) Inc.	PRC	64 %**
Canadian Solar Sunenergy (Jiaxing) Co. Ltd	PRC	64 %**
Canadian Solar Sunenergy (SuQian) Co., Ltd.	PRC	64 %**
Canadian Solar International Limited	Hong Kong	64 %**
Canadian Solar Manufacturing (Thailand) Co., Ltd.	Thailand	64 %**

* As of December 31, 2025, none of CS PowerTech Inc., Mesquite Modules Corporation, Jeffersonville PVcells Corporation, CS Power Systems Inc., or Canadian Solar Energy Storage (USA) Inc. each of which is an operating entity formed in connection with our U.S. strategic initiative (see "—B. Business Overview—Strategic Initiative Relating to Our U.S. Business Operations"), met the definition of a "significant subsidiary" under Rule 1-02(w) of Regulation S-X.

** Significant subsidiaries (as defined in Rule 1-02(w) of Regulation S-X) held through CSI Solar Co., Ltd. in which CSI owned approximately 64% interest as of December 31, 2025.

*** BlackRock invested $500.0 million in the Series A preferred shares of Recurrent Energy B.V. which are subject to conversion rights into ordinary shares of Recurrent Energy B.V. (see "—B. Business Overview—Recurrent Energy Key Development").

D Property, Plant and Equipment

The following summarizes our material properties, including manufacturing facilities, solar power and battery energy storage systems, and office buildings as of the date of this annual report on Form 20-F:

- Canadian Solar US Module Manufacturing Corporation has entered into an agreement in 2023 to lease a building, Building A, in Mesquite, Texas through December 2033, including a manufacturing floor of approximately 59,000 square meters, a mezzanine area of approximately 6,100 square meters, and an office area of approximately 4,600 square meters, as well as a second building, Building B, comprises approximately 71,349 square meters and is primarily used for manufacturing, raw material warehousing, and office functions. Following the completion of equipment installation, the facility commenced production in December 2023. Effective December 2025, Mesquite Modules Corporation, a subsidiary of CS PowerTech, operates the facility.

- Canadian Solar US Cell Manufacturing Corporation obtained the land use right in 2024 to approximately 350,000 square meters of land in Jeffersonville, Indiana, for the planned construction of a greenfield manufacturing facility, including an office building, of approximately 90,000 square meters to produce solar cells. Effective December 2025, Jeffersonville PVcells Corporation, a subsidiary of CS PowerTech, operates the facility.

- In the United States, Recurrent Energy, LLC and Canadian Solar (USA) Inc. lease a total of approximately 2,200 square meters of office space in Austin, Walnut Creek, New York City and Scottsdale.

- Canadian Solar Manufacturing (Luoyang) Inc. has obtained land use rights for approximately 80,000 square meters of land in Luoyang, Henan, in 2008, on which we have built wafer manufacturing facilities of approximately 30,000 square meters. Subsequently in 2016, CSI Solar acquired land use rights for another piece of land of approximately 160,000 square meters, where it constructed manufacturing facilities covering approximately 39,000 square meters. The certificates for property ownership thereunder were granted between 2008 and 2018.

- Canadian Solar Sunenergy (Baotou) Co., Ltd. has obtained the land use right of a piece of land in Baotou, Inner Mongolia of approximately 224,000 square meters, on which CSI Solar has built ingots manufacturing facilities with a floor area of approximately 18,000 square meters. The production of ingots commenced in 2017. Subsequently, CSI Solar expanded the facility to include the production of mono ingots with a floor area of approximately 91,700 square meters. The certificates for property ownership thereunder were granted between 2018 and 2024.

- CSI Solar Technology (Xining) Co., Ltd. has obtained a land use right of a piece of land in Xining, Qinghai of approximately 200,000 square meters in 2021. The land use right certificate was granted in 2021. CSI Solar has built ingot production lines and supporting facilities on approximately 185,000 square meters of land under Phase I and II.

- Canadian Solar Manufacturing (Changshu) Inc. has the land use right to two pieces of land of approximately 40,000 square meters and 180,000 square meters, respectively, in Changshu, Jiangsu, on which CSI Solar has built module manufacturing facilities with a total floor area of approximately 165,000 square meters. CSI Solar has obtained certificates of property ownership for the facilities.

- Canadian Solar Sunenergy (Jiaxing) Co. Ltd. obtained the land use right to a piece of land of approximately 165,000 square meters in Jiaxing, Zhejiang in 2018, on which CSI Solar has built module manufacturing facilities with floor area of approximately 125,000 square meters under Phase I in 2020. CSI Solar further constructed module manufacturing facilities with floor area of approximately 104,014 square meters under Phase II in 2023.

- Canadian Solar Sunenergy (SuQian) Co., Ltd. has leased approximately 183,000 square meters of module manufacturing facilities in Suqian, Jiangsu commencing from November 2020. The facility commenced full production in 2023. The lease term is expected to end in December 2026.

- Canadian Solar Manufacturing (Thailand) Co., Ltd. has two lots land totaling 272.8 Rai (approximately 436,000 square meters) in Thailand, with the ownership certificates obtained. The first lot of approximately 179.3 Rai (approximately 287,000 square meters) is located in Chonburi Province, and houses cell manufacturing facilities under Phase I and II covering approximately 37,000 square meters and module manufacturing facilities under Phase I, II and III covering approximately 113,000 square meters. The Phase I cell facility was built, and production commenced in 2017, while the Phase II cell facility was completed, and production commenced in 2019. The Phase I module facility was built, and production commenced in 2016. The Phase II module facility started production in 2019, and the Phase III module facility began production in 2023. The second lot of approximately 93.5 Rai (approximately 150,000 square meters) is located in Royong Province, and houses the cell manufacturing facility under Phase III covering approximately 27,000 square meters. The land was purchased in June 2022, subsequently constructed, with production commencing in 2023. Production of wafer manufacturing commenced in 2024 within the Chonburi facilities. In 2025, approximately 44.1 Rai (approximately 70,560 square meters) of land was transferred to CSI Energy Storage Technology (Thailand) Co., Ltd.

- We construct and operate solar power systems in the United States, EU, Brazil, Argentina, Colombia and China, and most of our solar power systems were built or are being constructed on leased land, though in some cases we purchase the underlying land. Approximately 5,600 hectares of land were leased for these solar power systems, with lease term ending between 2037 and 2056.

Except as disclosed in the "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China," we believe we have obtained the environmental permits necessary to conduct the business currently carried on by us at our manufacturing facilities. For more details, see "B. Business Overview—Environmental Matters."

ITEM 4A *UNRESOLVED STAFF COMMENTS*

None.

ITEM 5 *OPERATING AND FINANCIAL REVIEW AND PROSPECTS*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and accompanying notes included elsewhere in this annual report on Form 20-F. The following discussion contains forward-looking statements based on current expectations that involve risks and uncertainties. Our actual results may differ materially as a result of various factors, including those set forth under "Item 3. Key Information—D. Risk Factors" or in other parts of this annual report on Form 20-F.

For year-over-year comparisons between 2024 and 2023, refer to "Item 5. Operating and Financial Review and Prospects" in our Form 20-F for the year ended December 31, 2024, filed with the SEC on April 30, 2025.

A Operating Results

Key Factors Affecting Our Results of Operations

Our operating results are affected by a number of factors, including (i) global economic conditions such as inflationary and interest rate pressures, and currency volatility; (ii) supply and demand dynamics in the solar power and battery storage energy industry, including seasonality; (iii) mix of products and services we provide, as well as the timing and scale of project sales; (iv) pricing of solar power and battery energy storage products; and (v) the costs of raw materials, including solar ingots, polysilicon, wafers, silver-based metallic pastes, cells and lithium-ion components relative to the selling prices of modules and battery energy storage products. Our operating results may also be affected by (i) raw materials availability and supply chain constraints; (ii) effects that current credit, interest rate and market conditions could have on the value of our project assets; and (iii) changes in trade regulations and treaties, including renewable energy incentives, including those contained in the IRA and OBBBA, government grants, antidumping and countervailing duties. We also are subject to other risks as outlined in "Item 3. Key Information—D. Risk Factors."

We are closely monitoring macro-economic developments, including inflation, interest rates, monetary policy changes and foreign currency fluctuations, as well as elevated geopolitical tensions, hostilities and political conflicts around the world, and how they may adversely impact our and our customers', contractors', suppliers' and partners' respective businesses. In particular, weak economic conditions or unfavorable changes in any of these general factors could materially and adversely affect our results of operations.

Our business and revenue growth depend on the increasing demand for solar power, driven by its increasing cost competitiveness with other power generation technologies, its advantages over other renewable sources, and expanding battery energy storage deployment to reduce intermittency of renewables generation. Public support for renewable energy, driven by energy security and environmental concerns, continue to accelerate industry adoption. Although solar technology has been available for decades, significant market expansion has occurred only recently. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—We may be adversely affected by volatility in the solar power and battery energy storage market and industry conditions; in particular, the demand for our solar power and battery energy storage products and services may not grow as expected or may decline." Industry demand is affected by seasonality. Demand tends to be lower in winter, when adverse weather conditions can complicate the installation conditions. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Our revenues and results of operations are subject to significant fluctuations, which make our financial performance difficult to predict."

In addition, grid interconnection constraints have heightened the need for battery energy storage integration in order to shift the feed of electricity into the grid to benefit from peak demand periods and overcome limitations in grid transmission capacity. The current electricity and capacity market design and rules may not adequately compensate for the integration of battery energy storage systems, and as such may hinder, slow down or limit the growth rate of solar power or battery energy storage adoption and implementation.

Our solar module pricing is based on the actual flash test results or nameplate capacity, expressed in watts-peak, and is affected by market demand and supply, module efficiency and power output. Higher efficiency modules usually command premium pricing. The average selling prices of our solar modules decreased from $0.23 per watt in 2023 to $0.16 per watt in 2024 and remained at $0.16 per watt in 2025. We anticipate further price reductions driven by industry trends. Our battery energy storage pricing is based on storage capacity, expressed in watts-hour, and is affected by market demand, storage capacity and material costs. Higher storage capacity and longer duration products generally command higher price premium.

Our profitability is highly dependent on the cost of silicon raw materials, solar ingots, wafers, cells, silver-based metallic paste and lithium-ion components relative to the selling prices of our solar modules and battery energy storage products. We produce solar modules, which comprise interconnected solar cells encased in a weatherproof frame. Solar cells are the most important component of solar modules. Our solar cells are primarily made from mono-crystalline silicon wafers through multiple manufacturing steps, including the application of N-type and TOPCon technologies. The solar cell manufacturing processes involve the formation of electrical contacts on the front and rear surfaces of the solar cells, which are typically produced using silver-based metallic pastes. As a result, silver is a critical input material in solar cell metallization and contributes to the overall cost of solar cell production. Solar wafers are the primary material used to make solar cells. Solar ingots are the key material for making solar wafers. If we are unable to procure silicon raw materials, solar ingots, wafers and cells at input costs that aligns with the declines in selling price of our solar modules, our revenues and margins could be adversely impacted, either due to higher manufacturing costs than our competitors or write-downs of inventory, or both. We may lose market share if our competitors are able to offer better pricing than we do. We manufacture our battery energy storage products. The costs of lithium iron phosphate ("LFP") cells, battery modules, and associated electronics are a significant portion of our total cost structure for energy storage products. If we are unable to procure lithium ion battery components input costs that aligns with the decline in line with the pricing of our battery energy storage products, or if supply chain disruptions result in cost inflation or delays, our margins may be compressed, and our competitiveness in the energy storage market could be adversely impacted.

Our revenues from the sale of solar power and battery energy storage projects are affected by the timing of project completion and our monetization strategy, which includes balancing the long-term ownership and operation of certain assets with selective project sales. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Our sale of solar power and battery energy storage projects depends heavily on our ability to find third-party buyers for our projects in a timely manner and on favorable terms and conditions" and "Item 4. Information on the Company—B. Business Overview—Sales, Marketing and Customers—Recurrent Energy" for a description of our solar power and battery energy storage pipelines. Rising interest rates, tightening credit conditions, and changing investor return expectations could place downward pressure on asset valuations across the renewable infrastructure sector, including our projects. Certain classes of investors benchmark solar power and battery energy storage project returns against bond yields, and increases in those yields can lead to higher required internal rates of return ("IRRs") on infrastructure investments. As a result, we may face reduced sale prices for our projects, extended sales cycles, or the need to hold completed projects on our balance sheet for longer periods, potentially reducing liquidity and delaying revenue recognition. Project sales may also be adversely affected by construction delays, changes in government policy or permitting requirements, counterparty credit deterioration, grid curtailment, equipment failures, and extreme weather events. These factors may lead to project cancellations, impairments, or reclassification of assets from held-for-sale to held-for-use. In such cases, we may be required to expense prior capitalized development costs or impair our project investments, which could materially affect our operating results for the relevant period.

While the cost of solar and battery energy storage technologies have generally declined, continued government support remains important to sustain industry growth and investment returns. Our business performance and market demand are influenced significantly by the availability, size, and stability of government incentives, regulatory frameworks, and trade regimes in the countries where we operate. Governments in many of our key markets, including the United States and a number of the states of the European Union (including, Italy, France, Germany and Spain) continue to provide incentives that support solar power and battery energy storage deployment. In the United States, the IRA significantly enhanced and extended tax-based incentives for renewable energy. These include expanded ITC and PTC eligibility, additional bonus credits for projects located in energy communities or meeting domestic content thresholds, and advanced manufacturing production tax credits under Section 45X of the Internal Revenue Code. The IRA also introduced mechanisms for credit transferability and direct pay, which were clarified through temporary and proposed IRS regulations issued in June 2023 and finalized in May 2024. These incentives, however, remain subject to regulatory and compliance requirements, including those arising under the OBBBA. In the European Union, several member states continue to implement incentive schemes, including national auctions and tax benefits to support renewable development. Additionally, the revised Renewable Energy Directive, which entered into force on November 20, 2023, aims to further streamline permitting processes and reinforce regulatory support for solar and battery energy storage deployment. However, some member states have enacted land-use limitations and zoning restrictions, particularly in agricultural zones, which may limit project development opportunities. As part of the revised directive, EU member states are required to implement permitting reforms by mid-2024 and to designate renewables acceleration areas by February 2026 to streamline project approvals and facilitate faster deployment. Despite overall government support, many of these incentive programs are subject to change, reduction, or phase-out over time. Revisions, reductions, or eliminations of subsidies and favorable regulations could materially and adversely affect demand for our products and services, particularly in developing or price-sensitive markets. In addition, unfavorable changes in energy laws or policies could deter customer investment, increase competition, or reduce expected returns on our projects.

For a detailed discussion of the impact of government subsidies and incentives, possible changes in government policy and associated risks to our business, see “Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Governments may revise, reduce or eliminate incentives and policy support schemes for solar power and battery energy storage” and “Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Our global operations are subject to complex and evolving laws, regulations, policies, trade restrictions and geopolitical risks, which could increase compliance costs, disrupt operations, delay project execution and adversely affect our business, financial condition and results of operations.”

We have been in the past, and may be in the future, subject to international trade policies, including the imposition or expansion antidumping and countervailing duty rulings, tariffs, and other trade remedies. In particular, we have been subject to antidumping and countervailing duty rulings in the U.S., the EU, and Canada and have, as a result, been party to lengthy proceedings related thereto. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Antidumping and countervailing duty determinations in the United States could adversely affect us,” “—Other trade measures such as Section 232 and Section 301 tariffs could adversely affect us,” and “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal and Administrative Proceedings.” The U.S., the EU, the U.K. and Canada are important markets for us. Ongoing proceedings relating to, and the imposition of any new, antidumping and countervailing duty rulings and orders or safeguard measures in these markets may result in additional costs to us and/or our customers or limit our access to important markets. Pending investigations, safeguard measures, and retroactive rulings could also result in supply chain disruptions or unanticipated liabilities.

The COVID-19 pandemic previously posed significant challenges to many aspects of our business, including our operations, customers, suppliers and projects. On May 5, 2023, the World Health Organization announced that COVID-19 was no longer a public health emergency. Pandemic-related impacts have since largely subsided.

Overview of Financial Results

We evaluate our business using a variety of key financial measures.

Net Revenues

Our business is organized into two segments: (i) Manufacturing, comprising CS PowerTech, which focuses on manufacturing and sales of solar products and battery energy storage products, and other power technology products for the U.S. market, and CSI Solar, which serves all other global markets; and (ii) Recurrent Energy, which focuses on solar power and battery energy storage project development, asset sales, power services, and electricity revenue from its operating portfolio. The following table sets forth, for the periods indicated, the components of our revenues by amounts and percentages of our total revenues:

	For the years ended December 31,			
	2024		2025	
	(in thousands of $, except percentages)			
Net revenues				
Manufacturing:				
Solar modules	4,281,178	71.4 %	3,377,706	60.4 %
Battery energy storage solutions	814,604	13.6 %	1,370,590	24.5 %
Solar system kits	398,173	6.7 %	224,621	4.0 %
EPC and others	181,422	3.0 %	227,855	4.1 %
Recurrent Energy:				
Solar power and battery energy storage asset sales	156,686	2.6 %	175,987	3.1 %
Power services	69,972	1.2 %	75,486	1.3 %
Revenue from electricity, battery energy storage operations and others	91,374	1.5 %	142,862	2.6 %
Total	5,993,409	100.0 %	5,595,107	100.0 %

Our revenues from Manufacturing are primarily affected by average selling prices per watt and unit volumes shipped of solar power products, as well as the average selling price per watt-hour and unit volumes shipped of battery energy storage solutions products. Revenues from sales to customers are recorded net of sales taxes, goods and services taxes, value added taxes, and estimated returns. Our revenues from our Recurrent Energy are primarily affected by the timing of the completion and the timing and strategy of monetization of solar power and battery energy storage projects.

Our revenue recognition policies for sales of battery energy storage products and solar power and battery energy storage asset sales are described in "—Critical Accounting Estimates—Revenue."

Cost of Revenues

The cost of revenues for Manufacturing includes direct and indirect costs associated with the manufacture and delivery of solar modules, and battery energy storage products. These costs primarily consist of key materials and components, including high purity polysilicon, ingots, wafers, cells, silver-based metallic pastes, glass, metal frames, ethylene vinyl acetate, junction boxes, polymer back sheets, lithium iron phosphate battery cells and inverters. Additional costs include production labor (salaries and benefits for manufacturing staff), warranty expenses, and overhead related to utilities, equipment maintenance, and factory support. Depreciation and amortization of manufacturing equipment and facilities are also included and have increased in line with the expansion of our manufacturing footprint. Furthermore, our cost structure reflects exposure to global trade regulations and compliance-related expenses, including antidumping, countervailing and other duty costs, as well as inventory impairment charges.

The cost of revenues for Recurrent Energy primarily reflects solar power and battery energy storage project expenditures associated with development, construction and key equipment. These include the cost of acquiring project rights and sites, interconnection and permitting fees, procurement for equipment, including trackers, mounting hardware, and grid interconnection equipment, and construction services. Interest capitalized during construction also forms a portion of the costs. Additionally, this segment may recognize impairments on project assets due to adverse changes in market conditions, regulatory uncertainty, or project-specific performance.

Gross Profit

Gross profit is affected by a number of factors, including but not limited to, the performance and contribution of both of our segments, the average selling prices and unit volumes of our solar power and battery energy storage products, our product mix, our ability to cost effectively manage our vertical integration, manufacturing capacity and supply chain, inventory write-downs, tariffs, antidumping and countervailing duties, the timing and pricing of project sales and the impairment of project assets. As a result of these various factors, our gross margin varies from period to period.

Operating Expenses

Selling and Distribution Expenses

Selling and distribution expenses consist primarily of transportation and shipping costs for delivery of our products, salaries and benefits, sales commissions for our sales agents, advertising, promotional and trade show expenses, and other sales and marketing expenses. We have implemented cost management initiatives across our logistics, sales and marketing functions. We expect to continue managing these expenses through improved logistics management, disciplined hiring and targeted marketing programs to strengthen our position as a leading global brand.

General and Administrative Expenses

General and administrative expenses consist of salaries and benefits for our corporate, finance, legal, IT and other administrative functions, as well as expenses for consulting, professional service fees, government and administrative fees and insurance fees. We have reduced headcount related costs through disciplined workforce management and tighter control over discretionary spending, while continuing to support the operations of our two segments. From time to time, general and administrative expenses may also include one-time costs and non-cash impairment changes related to manufacturing equipment and held-for-use energy assets.

For a description of the stock options, restricted share units and restricted shares granted, including the exercise prices and vesting periods, see "Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Share Incentive Plans." We recognize share-based compensation expense based on the fair value of equity awards at the grant date. Expense for time-based awards is recognized over the requisite service period, while performance-based awards are recognized upon occurrence of certain contingent conditions. We estimate expected forfeitures based on historical and anticipated employee retention and adjust these estimates prospectively.

Research and Development Expenses

Research and development expenses consist primarily of costs of raw materials used in our research and development activities, salaries and benefits for research and development personnel and prototype and equipment costs related to the design, development, testing and enhancement of our products. Refer to "—C. Research and Development" for further details of our research and development activities. We expect to continue managing research and development expenditures in line with project timelines and technological priorities.

Other Operating Income, Net

Other operating income, net, primarily reflects non-core operating items that are not directly attributable to our primary revenue-generating activities. This includes government grants received and gains or losses from disposal of held-for-use energy assets and manufacturing equipment. The amount and timing of other operating income can vary depending on the receipt of government incentives, asset management strategies, and external environmental factors.

Interest Expense

Interest expense relates to interest incurred on our short and long-term borrowings from banks and other financial institutions, green bonds, and convertible notes. The level of interest expense is influenced by prevailing interest rates, total outstanding debt balances, and the currency composition of our financing sources.

Loss on Change in Fair Value of Derivatives

We utilize derivative instruments as part of our risk management strategy to mitigate exposures to fluctuations in foreign currency exchange rates, raw material prices, and interest rates. These instruments include foreign exchange forward contracts, commodity hedges, and interest rate swaps. Changes in the fair value of these derivatives that are not designated as accounting hedges are recognized in earnings and may result in gains or losses depending on market movements. These fair value adjustments can introduce volatility to our financial results.

Income Tax Benefit (Expense)

We recognize income tax expense or benefit based on taxable income for the period, as well as deferred tax assets and liabilities arising from temporary differences between the financial reporting and tax bases of assets and liabilities. Deferred tax assets are subject to valuation allowances when management cannot conclude that it is more likely than not that they will be realized. The effective tax rate may fluctuate from period to period due to changes in the geographic mix of income, tax holidays or incentives, changes in valuation allowances, or other nonrecurring tax adjustments.

Results of Operations

The following table sets forth, for the periods indicated, certain of our consolidated results of operations and each item expressed as a percentage of our total net revenues. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the years ended December 31,			
	2024		2025	
	(in thousands of $, except percentages)			
Net revenues	5,993,409	100.0 %	5,595,107	100.0 %
Manufacturing segment	6,460,003	107.8 %	5,612,124	100.3 %
Recurrent Energy segment	323,469	5.4 %	403,620	7.2 %
Elimination	(790,063)	(13.2)%	(420,637)	(7.5)%
Cost of revenues	4,994,090	83.3 %	4,568,881	81.7 %
Manufacturing segment	5,272,722	88.0 %	4,669,608	83.5 %
Recurrent Energy segment	257,976	4.3 %	320,166	5.7 %
Elimination	(536,608)	(9.0)%	(420,893)	(7.5)%
Gross profit	999,319	16.7 %	1,026,226	18.3 %
Manufacturing segment	1,187,281	19.8 %	942,516	16.8 %
Recurrent Energy segment	65,493	1.1 %	83,454	1.5 %
Elimination	(253,454)	(4.2)%	256	0.0 %
Operating expenses:				
Selling and distribution expenses	487,947	8.1 %	382,591	6.8 %
General and administrative expenses	515,204	8.6 %	581,807	10.4 %
Research and development expenses	120,792	2.0 %	90,685	1.6 %
Other operating income, net	(94,543)	(1.6)%	(72,013)	(1.3)%
Total operating expenses	1,029,400	17.2 %	983,070	17.6 %
Income (loss) from operations	(30,081)	(0.5)%	43,156	0.8 %
Other income (expenses)				
Interest expense	(137,468)	(2.3)%	(178,166)	(3.2)%
Interest income	88,470	1.5 %	46,054	0.8 %
Loss on change in fair value of derivatives, net	(51,400)	(0.9)%	(42,422)	(0.8)%
Foreign exchange gain (loss), net	46,750	0.8 %	(16,751)	(0.3)%
Investment income, net	1,427	0.0 %	7,390	0.1 %
Total other expenses	(52,221)	(0.9)%	(183,895)	(3.3)%
Loss before income taxes and equity in losses of affiliates	(82,302)	(1.4)%	(140,739)	(2.5)%
Income tax benefit (expense)	16,576	0.3 %	(14,149)	(0.3)%
Equity in losses of affiliates	(12,136)	(0.2)%	(28,875)	(0.5)%
Net loss	(77,862)	(1.3)%	(183,763)	(3.3)%
Less: Net loss attributable to non-controlling interests and redeemable non-controlling interests	(113,913)	(1.9)%	(79,637)	(1.4)%
Net income (loss) attributable to Canadian Solar Inc.	36,051	0.6 %	(104,126)	(1.9)%

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Net Revenues. Our net revenues decreased by $398.3 million, or 6.6%, from $5,993.4 million in 2024 to $5,595.1 million in 2025. The decline was primarily attributable to lower sales volume of solar modules as we continued to prioritize margin over volume. This impact was partially offset by higher sales of battery energy storage systems, which increased their contribution to total revenue during the year. Total module shipments decreased to 24.3 GW in 2025 from 31.1 GW in 2024, while battery energy storage solutions continued to grow significantly, reaching 7.8 GWh in shipped volume in 2025, which represents an increase of over 18.6% compared to 2024. Of total shipments in 2025, approximately 1,122 MW were delivered to our own utility-scale solar, compared to approximately 803 MW in 2024.

Our net revenues related to Recurrent Energy increased by $76.3 million, or 24.0%, from $318.0 million in 2024 to $394.3 million in 2025, mainly attributable to an increase in revenue generated from project sales, reflecting a higher volume of project monetization completed during 2025. Project sales contributed 3.1% of total revenue in 2025, compared to 2.6% in 2024. In 2025, revenue contributions from power services and electricity, battery energy storage operations and others were 1.3% and 2.6%, respectively, up from 1.2% and 1.5% in 2024.

Cost of Revenues. Our cost of revenues decreased by $425.2 million, or 8.5%, from $4,994.1 million in 2024 to $4,568.9 million in 2025. The decrease was primarily attributable to lower manufacturing costs and lower inventory write-downs. These decreases were partially offset by higher costs associated with battery energy storage deployment, which carry different cost dynamics. Additionally, higher volume of solar power and battery storage asset sales, partially offset by lower impairments related to solar assets held for use in Recurrent Energy impacted the segment's cost contribution for 2025.

Gross Profit. Our gross profit increased by $26.9 million, or 2.7%, from $999.3 million in 2024 to $1,026.2 million in 2025. Gross margin improved year-over-year from 16.7% to 18.3%, driven primarily by a higher mix of battery energy storage systems, which generally provide higher margins than solar modules, and the benefit from a U.S. anti-dumping and countervailing duty true-up adjustment based on final affirmative determinations made by the ITC. Despite pressure from declining solar modules ASPs and trade related duties, we mitigated some margin compression through continued reductions in manufacturing costs and improved operational efficiencies, including workforce reduction. Our diversification into battery energy storage has also enhanced the resilience of our gross profit.

Operating Expenses. Our operating expenses decreased by $46.3 million, or 4.5%, from $1,029.4 million in 2024 to $983.1 million in 2025. Operating expenses represented 17.6% of net revenues in 2025, compared to 17.2% in 2024.

Selling and Distribution Expenses. Our selling and distribution expenses decreased by $105.4 million, or 21.6%, from $487.9 million in 2024 to $382.6 million in 2025, primarily due to lower shipping and handling costs. Selling and distribution expenses represented 6.8% of net revenues in 2025, compared to 8.1% in 2024.

General and Administrative Expenses. Our general and administrative expenses increased by $66.6 million, or 12.9%, from $515.2 million in 2024 to $581.8 million in 2025. The increase was mainly attributable to a $48.5 million day-one loss resulting from the non-cash classification of a battery energy storage project as a sales-type lease, $54.0 million impairment charge on manufacturing equipment and $19.7 million in personnel and severance expenses. General and administrative expenses represented 10.4% of net revenues in 2025, compared to 8.6% in 2024.

Research and Development Expenses. Our R&D expenses decreased by $30.1 million, or 24.9%, from $120.8 million in 2024 to $90.7 million in 2025, reflecting cost optimization initiatives. R&D expenses represented 1.6% of net revenues in 2025, compared to 2.0% in 2024. See "—C. Research and Development" for additional detail on our R&D activities.

Other Operating Income, Net. Our other operating income, net, decreased by $22.5 million, or 23.8%, from $94.5 million in 2024 to $72.0 million in 2025, mainly reflecting lower government grants received.

Interest Expense, Net. Our interest expense, net, increased by $83.1 million, or 169.6%, from $49.0 million in 2024 to $132.1 million in 2025. Our interest expense increased by $40.7 million, or 29.6%, from $137.5 million in 2024 to $178.2 million in 2025. The increase was primarily attributable to a higher average level of outstanding debt during the year, which mainly related to non-recourse borrowings. In 2025 and 2024, we capitalized interest costs related to the construction of qualifying assets totaling approximately $107.0 million and $108.9 million, respectively. The remaining interest expense was recognized in current period operations.

Our interest income decreased by $42.4 million, or 47.9%, from $88.5 million in 2024 to $46.1 million in 2025, reflecting a reduction in our average balance of cash, cash equivalents, and restricted cash during 2025 compared to 2024. In 2025 and 2024, we earned nil and $18.9 million of interest benefits, respectively, from anti-dumping and countervailing duty deposit refunds and supplier settlements.

Loss on Change in Fair Value of Derivatives, Net. We recorded a loss of $42.4 million in 2025 from changes in the fair value of derivative instruments, compared to $51.4 million in 2024. The loss was primarily due to unfavorable movements in the RMB, Euro, JPY and BRL exchange rates.

Foreign Exchange Gain (Loss), Net. We recognized a loss of $16.8 million in 2025, compared to a gain of $46.8 million in 2024, primarily due to the unfavorable movements in the RMB, Euro and JPY exchange rates.

Investment Income, Net. We recorded net investment income of $7.4 million in 2025, as compared net investment income of $1.4 million in 2024, primarily due to increase in fair value of our investments in China.

Income Tax Benefit (Expense). We recognized an income tax expense of $14.1 million in 2025, compared to an income tax benefit of $16.6 million in 2024. The change primarily reflected differences in pre-tax earnings, jurisdictional income mix, valuation allowances, and other permanent tax items.

Equity in Losses of Affiliates. Our share of the earnings of affiliates resulted in a net loss of $28.9 million in 2025, compared to a net loss of $12.1 million in 2024. The year-over-year decline was primarily due to weaker performance from certain investees in Latin America.

Net Loss Attributable to Non-Controlling Interests and Redeemable Non-Controlling Interests. Our net loss attributable to non-controlling interests and redeemable non-controlling interests decreased to $79.6 million in 2025 from $113.9 million in 2024. The decrease was primarily driven by the recognition in income attributable to our consolidated tax equity partnerships under the hypothetical liquidation at book value ("HLBV") method of $90.8 million in 2025 and $164.3 million in 2024. This was partially offset by lower net income attributable to noncontrolling shareholders of CSI Solar.

Recently Issued Accounting Pronouncements

See "Item 17. Consolidated Financial Statements—Note 2—Recently Issued Accounting Pronouncements."

B Liquidity and Capital Resources

As of December 31, 2025, we had $1,370.4 million in cash and cash equivalents and $570.0 million in restricted cash. Restricted cash represents amounts held by banks as security for short-term notes payable, letters of guarantee, letters of credit or bank borrowings. These amounts are unavailable for general use until the related obligations mature or are repaid, at which point the funds become unrestricted. We intend to fund our existing and future material cash requirements for at least the next 12 months, including working capital, capital expenditures, investment requirements, subsidiary share repurchases, and debt repayments, through available cash and cash equivalents, monetization of project assets, anticipated cash flow from operations, and drawdowns under our credit note facilities. From time to time, we may also seek additional financing, refinancing, or equity transactions, including open market purchases and privately negotiated transactions, and acquisitions or investments in other companies and businesses that we believe could expand our operations, augment our market coverage, enhance our technical capabilities, or otherwise offer growth opportunities. The timing and amount of any such transaction will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors, and the amounts involved may be significant.

Our future cash flows and working capital needs will depend on many factors. We intend to expand and upgrade our solar modules and battery energy storage production capacities and to remain competitive in production technology. See "Item 4. Information on the Company—B. Business Overview—Manufacturing—CS PowerTech and CSI Solar."

In June 2023, CSI Solar completed its STAR Listing on the Shanghai Stock Exchange, raising gross proceeds of RMB 6.01 billion ($842.6 million). In July 2023, the full over-allotment option was exercised, raising an additional gross proceeds of RMB 0.9 billion ($124.3 million). All U.S. dollar equivalents are based on the exchange rate on the respective transaction dates. CSI Solar issued 622,217,324, representing approximately 17% of the its outstanding shares post-IPO. As of the date of this annual report, we own approximately 63% equity interest in CSI Solar.

In January 2024, Canadian Solar Energy Group B.V. and Recurrent Energy B.V., our subsidiaries, entered into a purchase and sale agreement with GRP IV UK Holdco Limited ("GRP IV"), which is managed by BlackRock, Inc.'s climate infrastructure business ("BlackRock") to issue Series A preferred shares of Recurrent Energy B.V. ("Series A Preferred Shares") to GRP IV. GRP IV subsequently assigned its rights, liabilities and obligations under the agreement to GRP IV Rose Bidco Ltd. ("Investor"), an affiliated entity that is also managed by BlackRock. Following initial and subsequent closings in May and September 2024, respectively, BlackRock's total investment reached $500.0 million, representing 20% of Recurrent Energy B.V.'s fully diluted shares on an as-converted basis as determined immediately upon closing. See "Item 4. Information on the Company—B. Business Overview—Recurrent Energy Key Development."

Cash Flows and Working Capital

As of December 31, 2025, we had approximately $8,772.0 million in contractual credit facilities, with $5,158.4 million drawn as borrowings, $811.5 million utilized through bank guarantees, letters of credit and short-term notes payable. Of the total contractual credit facilities, approximately $2,356.5 million was available for drawdown to support our manufacturing operations and working capital requirements, and approximately $430.0 million was available in connection with our projects business. In addition, we had uncommitted credit facilities totaling approximately $1,988.4 million, with $568.6 million drawn as borrowings and $639.3 million utilized under similar banking arrangements as of December 31, 2025.

As of December 31, 2024 and 2025, $997.4 million and $2,168.5 million of borrowings under Recurrent Energy were non-recourse. These borrowings are typically long-term, asset- or portfolio-specific, and denominated in the domestic currency of the respective project subsidiary. These are secured by the assets and equity of each project, and lenders have no recourse to Canadian Solar Inc. in the event of a default.

Our short-term borrowings mature between the first and fourth quarters of 2026 and bore a weighted average interest rate of 3.3% as of December 31, 2025. Although these facilities do not include automatic renewal provisions, we have historically been able to repay or refinance these short-term borrowings on similar terms prior to or upon maturity.

As of December 31, 2025, borrowings of $3,925.2 million were secured by property, plant and equipment with a carrying amount of $285.9 million, land use rights of $63.5 million, restricted cash of $437.2 million, equity interests of $573.1 million, project assets of $888.9 million, and solar power and battery energy storage systems of $1,181.0 million. These borrowings were classified as short-term borrowings of $793.2 million, long-term borrowings of $473.9 million under Manufacturing, and short-term borrowings of $71.1 million, non-recourse borrowings - current of $600.1 million, long-term borrowings of $491.0 million and non-recourse borrowings of $1,495.9 million under Recurrent Energy.

Our long-term borrowings mature between the first quarter of 2026 and the third quarter of 2047. A portion of these borrowings, relating to solar power and battery energy storage project assets expected to be sold within one year, are classified as current liabilities and have maturities ranging from the first quarter of 2026 to the third quarter of 2029. Our long-term borrowings carried a weighted average interest rate of 5.2 % as of December 31, 2025.

In 2024, we entered an investment agreement with a subsidiary of Pacific Alliance Group, or PAG, for the issuance of $200.0 million of convertible senior secured notes due 2029. We issued the $200.0 million convertible senior secured notes in 2025.

In April 2025, Recurrent Energy B.V. completed a refinancing of its credit facilities with Banco Santander, S.A., Intesa Sanpaolo S.p.A New York Branch, Rabobank, New York Branch, and Morgan Stanley Senior Funding, Inc. The refinanced $415.0 million credit facility consists of term loan facilities of €83.8 million ($90.5 million) and $59.5 million, and a $265.0 million revolver, maturing in April 2028 and extendable by one year subject to lender consent. We provided guarantee of up to $325.0 million in connection with the facility. In 2025, the term loan was increased by $82.5 million and €10.8 million ($12.7 million), and revolver was increased by $45.0 million, with MUFG, Norddeutsche Landesbank and Nomura Corporate Funding Americas, LLC. As of December 31, 2025, $552.4 million was outstanding.

In January 2026, we issued $230.0 million of convertible senior notes due 2031 to qualified institutional buyers in a private placement transaction pursuant to Rule 144A under the Securities Act. The convertible notes are senior unsecured obligations of our company and accrue interest at a rate of 3.25% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2026. The convertible notes will mature on January 15, 2031, unless earlier repurchased, redeemed or converted in accordance with their terms prior to such date. Holders of the convertible notes may convert all or part of their notes at their option at any time prior to the close of business on the third business day immediately preceding the maturity date. Upon conversion, we will deliver to such converting holders, a number of our common shares equal to the applicable conversion rate as of the relevant conversion date, together with a cash payment in lieu of any fractional share. The initial conversion rate is 36.1916 common shares per US$1,000 principal amount of such notes, which represents an initial conversion price of approximately US$27.63 per common share. The conversion rate and conversion price for the notes will be subject to adjustments upon the occurrence of certain events. On or after January 22, 2029, we may redeem for cash all or part of the notes, at our option, if the last reported sale price of our common shares has been at least 130% of the conversion price then in effect on each of at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately prior to the date we provide notice of redemption. In addition, the notes will be redeemable, in whole and not in part, at our option at any time following the occurrence of certain tax related events. The redemption price in the case of a tax redemption or an optional redemption will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the related redemption date.

Most of our long-term borrowings and credit facilities contain financial covenants, including interest and debt coverage ratios, loan to equity value of designated project ratios, debt to asset ratios, and minimum equity requirements. We were in compliance with these covenants as of December 31, 2025.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the years ended December 31,	
	2024	2025
	(in thousands of $)	
Net cash used in operating activities	(885,324)	(252,741)
Net cash used in investing activities	(1,962,257)	(1,503,490)
Net cash provided by financing activities	2,319,771	1,347,505

Operating Activities

Net cash used in operating activities was $252.7 million in 2025, compared to net cash used in operating activities of $885.3 million in 2024. The improvement was mainly due to significantly lower working capital outflows, including improved accounts receivable, lower expansion of inventories reflecting reduced raw material costs, and lower expansion of project asset investments, partially offset by the losses recorded in 2025.

To manage working capital, we require certain customers to make partial prepayments, which totaled $246.2 million and $181.2 million as of December 31, 2024 and 2025, respectively. Advances to suppliers totaled $242.6 million and $322.4 million as of December 31, 2024 and 2025, respectively.

Investing Activities

Net cash used in investing activities was $1,503.5 million in 2025 compared to $1,962.3 million in 2024. The decrease was mainly due to lower purchases of property, plant and equipment and intangible assets, as certain phases of global capacity expansion outside the United States were executed in the prior period. Purchases of solar power and battery energy storage systems also decreased to $429.2 million in 2025 from $757.6 million in 2024, attributable to timing of construction, which is subject to various project development factors. These reductions were partially offset by higher investments in bank time deposits and structured deposits in 2025.

Financing Activities

Net cash provided by financing activities was $1,347.5 million in 2025, compared to $2,319.8 million in 2024. The decline was mainly due to higher net repayments of short-term borrowings and repayment of convertible notes in 2025, and the absence of preferred share issuance proceeds recorded in 2024. These impacts were partially offset by higher long-term borrowings and the issuance of new convertible notes in 2025.

For disclosures related to interest rates, refer to "Item 5. Operating and Financial Review and Prospects—A. Operating Results."

Material Cash Requirements

Our material cash requirements as of December 31, 2025 and any subsequent period primarily include obligations related to borrowings, green bonds, convertible notes, construction, lease liabilities, purchase commitments, financing liabilities, and associated interest payments.

Our purchase obligations arise in the normal course of business and include binding purchase orders for inventories and capital expenditures. As of December 31, 2025, we had inventory purchase commitments, primarily for silicon raw materials, totaling $1,226.4 million, of which $636.0 million is expected to be paid in 2026. Capital expenditures were focused on expanding our manufacturing capacity, totaling $1,106.2 million and $962.3 million in 2024 and 2025, respectively. As of December 31, 2025, our commitments for property, plant and equipment purchases were $315.8 million, of which $251.7 million is expected to be paid in 2026. As of December 31, 2025, our commitments for the construction and development for solar power, and battery energy storage systems and project assets were $174.2 million, of which $141.2 million is expected to be paid in 2026.

As of December 31, 2025, we had $3,621.2 million in long-term borrowings and $2,389.0 million in short-term borrowings. Scheduled principal payments on long-term borrowings are $1,685.2 million in 2027, $997.5 million in 2028, $229.3 million in 2029, $347.4 million in 2030, and $361.8 million in 2031 and thereafter. Long-term borrowing may have fixed or variable interest rates. For borrowings with variable-rate interest, interest payments are estimated based on projected market interest rates for various floating-rate benchmarks received from third parties. Expected interest payments on long-term borrowing are $186.6 million in 2026, $37.0 million in 2027, $23.6 million in 2028, $4.6 million in 2029, $3.7 million in 2030, and $31.9 million in 2031 and thereafter. Interest on short-term borrowings in 2026 is expected to be $79.1 million. Future changes in interest rate environment may materially affect our estimate of interest payments in the future.

As of December 31, 2025, we had outstanding convertible notes with principal amount of $200.0 million, bearing an annual interest rate of 6.0%, which will mature on December 31, 2029. Assuming no conversion, regular interest obligations on convertible notes as of December 31, 2025 are $12.0 million in 2026, $12.0 million in 2027, $12.0 million in 2028 and $12.0 million in 2029.

As of December 31, 2025, financing liability totaled $99.5 million, with scheduled repayments expected through 2030. Operating lease liabilities were $381.3 million, of which $34.7 million matures in 2026 and finance lease liabilities totaled $141.5 million, with $36.8 million maturing in 2026.

In the normal course of business, our subsidiaries provide letters of credit through their banks for purposes including, but not limited to, guarantees for accounts payable, debt service reserves, capital reserves, construction completion and performance. Letters of credit provided by our subsidiaries totaled $733.1 million as of December 31, 2025.

We have contingent contractual obligations in the ordinary course of developing solar power and battery energy storage projects. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Our project construction activities may not complete on time, and our development and construction costs could increase to levels that cause the return on our investment in the projects to be lower than expected" and "—We face a number of risks involving offtake contracts, including failure or delay in entering into contracts, defaults by counterparties and contingent contractual terms such as price adjustment, termination, liquidated damages, buy-out, acceleration and other clauses." These obligations are designed to cover specific risks and are only triggered upon the occurrence of certain events, such as construction delays, cost overruns, change of control, subsidiary defaults, political or tax risks, sale indemnities, energy delivery shortfalls, sponsor support and liquidated damages. While we do not expect to make material payments under these contingent contractual obligations, many of the triggering events are outside our control, and we can provide no assurance that we will be able to fund these obligations if we are required to make substantial payments thereunder.

C Research and Development

We conduct research and development activities in the following areas: i) ingot growth and wafering, ii) solar cells, iii) modules, iv) battery energy storage, v) energy solutions, vi) power electronics, vii) system performance analysis, and viii) reliability testing.

- Ingot growth and wafering research is focused on developing advanced crystallization and sawing technologies to produce high quality mono wafers and reduce energy and material use.

- Solar cell research is focused on developing new N-type based high efficiency solar cells, including TOPCon, HJT and BC, and advanced solar cell processing technologies.

- Module research is focused on developing new module designs and technologies for improving wattage, reliability, efficiency and system-level performance.

- Battery energy storage, energy solutions and power electronic research is primarily focused on developing high quality battery energy storage systems and inverters for utility, commercial and residential applications.

- System performance analysis provides module- and system-level performance evaluation and LCOE benchmarking for new products and innovations.

- Product reliability research is engaged in research collaboration with leading research institutes to accelerate market penetration of incremental and rupture solar technologies, by allowing state-of-the-art reliability evaluation and performance characterization. Our ISO17025-accredited Canadian Solar Photovoltaic Testing Laboratory ("CPTL") conducts certification per IEC61215/IEC61730/UL61730/IEC62804 standards and collaborates with leading research institutes to develop extensive reliability research on solar modules and components. The laboratory has been approved by VDE, CSA, TÜV, SÜD and DEKRA certification bodies under their data approval programs. Using data science, extensive characterization platforms and data-driven proprietary tool, the research focuses on enabling products with longer service life and lower degradation rates, supporting improved module warranties.

As of December 31, 2025, we had 1,318 employees engaged in research, product development and engineering.

Our research and development activities include:

- developing Czochralski ("CZ") mono pulling technologies compatible with 182 mm x 182 mm, 182 mm x 210 mm and 210 mm x 210 mm ingot size with a competitive cost structure;

- developing novel diamond wire sawing technology compatible with 182 mm x 182 mm, 182 mm x 210 mm and 210 mm x 210 mm mono ingots with thickness range from 110 μm to 140 μm;

- continuously improving the conversion efficiency of existing solar cells and reducing costs through process and material improvements and innovation;

- developing new N-type based cell structures and technologies for higher efficiencies and performance;

- continuously improving the wattage of existing solar modules and reducing costs through process and material improvements and innovation;

- developing new modules with improved design and assembly methods to achieve higher power output, module-level efficiency, reliability and system-level performance;

- designing and developing customized solar modules and products to meet specific customer requirements;

- designing and developing power electronics such as inverters;

- designing and developing battery energy storage systems;

- conducting testing, data tracking and analysis to assess system-level performance and reliability of various products and innovations;

- developing data-based, accurate reliability models to guide future materials and design innovations, and commercialize long-lifetime and low-degradation solar modules; and

- establishing highly accelerated reliability testing and innovative characterization methods to expedite the large-scale commercialization of product innovations.

In the future, we expect to focus on the following research and development initiatives that we believe will enhance our competitiveness.

- *Ingot and wafer*. Since cell efficiency heavily depends on wafer quality, we focus on continuously improving quality performance of mono wafers, including decreasing the oxygen content and reducing the axial-direction resistivity difference of N-type ingot to support the further improvement of cell efficiency. Additional R&D efforts focus on consuming less energy and materials in CZ pulling and diamond wire sawing, such as increasing pulling speed, lowering power consumption during crystal growth, improving the success rate of seeding and neck growth in CZ pulling, and reducing diamond wire diameter while improving the yield of diamond wire sawing.

- *High efficiency cells*. Our research and development is focused on new products, such as N-type HJT cells, TOPCon cells, and other technologies. CSI HJT technology has advanced to version 4.0, incorporating developments in several key industry technologies, including high crystallization rate double-sided microcrystalline, super multi-busbar ("SMBB") Ultra, fine line metallization, and ultra-thin silicon wafers. The R&D cell efficiency has exceeded 27.6%, mass production cell efficiency has surpassed 27.3%, and the yield rate has reached 99.2%. We have partnered with research institutes to jointly develop high-efficiency perovskite/HJT tandem cells, achieving a power conversion efficiency of 33.1%. We are continuing research on commercial-grade silicon (182 mm x 105 mm) mass-producible tandem technology while exploring ultra-thin perovskite/p-HJT tandem technical technologies. We expanded our TOPCon module product offering in 2024, achieving cell efficiency of 26.5%, and began full-scale production from ingot to module in February 2024. In 2025, the second generation of high-efficiency TOPCon cell and module technology was developed, achieving cell efficiency of 27.4%.

- *Competitive solar module products.* Higher efficiency, improved reliability, cost competitiveness and differentiated functional features have been the key objectives of PV module R&D. Based on the current mainstream design, improving current collection performance, increasing the effective power generation area within the module size range, and improving optical utilization are the main directions for module R&D in the near future.

- *Utility-scale battery energy storage products.* SolBank refers to the 20-foot containerized energy storage product line designed for utility-scale applications. The product utilizes LFP cells and features high energy density, active balancing, and an intelligent Thermal Management System, while supporting back-to-back installation. In 2025, according to NFPA 855 testing standards, SolBank 3.0 successfully passed a large-scale fire test, demonstrating its safety and reliability under extreme conditions. In 2025, the long-cycle-life SolBank 3.0 Plus product was deployed. We also launched the modular FlexBank product line, and released the first generation product FlexBank 1.0, designed to facilitate transportation and deployment. KuBank is a battery energy storage product designed for C&I applications with a standardized modular design that enables parallel expansion of the energy storage system. Certification and commercial launch globally were achieved by 2024. In 2025, KuBank 3.0 was developed with a capacity of up to 940 kWh to meet U.S. market requirements.

- *Residential battery energy storage products.* Our EP Cube offerings comprise a flexible whole-home battery energy storage solution that includes a smart gateway, hybrid inverter and battery module in the U.S. market. The solution is available in configurations ranging from 5 kWh to 40kWh in 5 kWh increments and is scalable up to 120 kWh with 3 parallel units. EP Cube provides reliable power backup, integrates a self-designed hybrid inverter and supports up to 6 maximum power point tracking ("MPPT") connections with current rating of up to 16 ampere to store electricity generated by a solar system. The system can also store electricity from the grid during off-peak periods through authorized settings. With continuous monitoring capabilities, EP Cube can detect outages and respond when the power supply is disrupted.

- *Energy solution products*. We have developed single-phase solar, three-phase solar and hybrid storage inverters, as well as battery energy storage systems for utility-scale, commercial and residential applications, across front-of-meter and behind-the-meter applications. Our string inverters are progressing through certifications to expand market availability. We also continue to develop ready-to-install solar system kits that integrates solar modules, inverters, racking systems, battery energy storage and accessories for deployment in multiple markets.

- *Power electronic products.* Our power electronics cover a full solar inverter portfolio, including residential 5-6 kW and 7-9 kW inverters, C&I 15-25 kW, 40-60 kW and 75-125 kW inverters, utility-scale 225kW/320kW/333kW/350kW inverters, and 200kW/215kW PCS for energy storage system. We began R&D of residential inverters in 2017, with products delivered to the market in 2019. We maintain local and international certifications to enter the relevant markets. The 200 kW and 215 kW PCS products have obtained the UL 1741 certification for the North American energy storage system market.

D Trend Information

Other than as disclosed elsewhere in this annual report on Form 20-F, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that would render reported financial information to be not necessarily indicative of future operating results or financial conditions.

E Critical Accounting Estimates

Our significant accounting policies are described in "Note 2. Summary of Principal Accounting Policies" to our consolidated financial statements included elsewhere in this annual report on Form 20-F. The preparation of these financial statements in accordance with U.S. GAAP requires us to make estimates and judgments that affect the reported amount of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. Critical accounting estimates are those that involve significant judgment or uncertainty and could materially impact our financial condition or results of operations if different assumptions or conditions were to occur. The following represent our most critical accounting estimates.

We are not aware of any specific events or circumstances that would require updates to our estimates and judgments or require us to revise the carrying value of our assets or liabilities from what had been assumed when the financial statements were prepared. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

Revenue

We recognize revenue from sales of battery energy storage products at a point in time when the customers obtain control of the products, typically upon shipment or delivery depending on contract terms. Revenue from turnkey battery storage solutions and EPC services is recognized over time using the percentage-of-completion method, based on actual costs incurred relative to total estimated costs to determine progress towards contract completion. Revenue recognition involves significant estimates and assumptions, including the effects of performance incentives, liquidated damages and other contractual adjustments. These estimates and assumptions are reassessed periodically. Changes in estimated costs or revenues result in a cumulative effect recorded in the period of change. If estimated total project costs indicate a loss, the total amount of such loss, excluding general and administrative expense, is recognized immediately.

We recognize revenue from sales of solar power and battery energy storage projects at a point in time when customers obtain control of the projects. These projects are typically held in special purpose legal entities, partnerships or trusts, which we refer to as project companies. Significant judgment is involved in assessing whether deconsolidation of the project companies is appropriate upon transfer of equity interest to customers, identifying performance obligations, and estimating variable considerations as part of the transaction price.

Impairment of Long-lived Assets, Project Assets and Solar Power and Battery Energy Storage Systems

We evaluate our property, plant and equipment, and solar power and battery energy storage systems for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. These require significant judgment in determining whether such events or changes have occurred. We consider factors such as asset group utilization, process and equipment technologies, temporary idling of capacity and the expected timing of placing this capacity back into production to evaluate impairment on our property, plant and equipment. We examine factors such as changes in energy curtailment, environmental, permitting, grid interconnection, capital cost, electricity merchant pricing and regulatory conditions that may cause the costs of the project to increase or the selling price of the project to decrease.

In 2025, we recorded impairment losses of $54.0 million for property, plant and equipment, $60.2 million for project assets and $11.1 million for solar power systems.

Inventories

We value our inventories at the lower of cost and net realizable value, based upon assumptions about future demand, market prices and production costs. We assess product-specific facts and circumstances for inventory impairment, particularly when market conditions turn unfavorable, and production costs and estimated costs to sell exceed expected selling price, including trends in polysilicon pricing. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Oversupply of polysilicon, solar wafers, cells and modules may cause substantial downward pressure on the prices of our products and reduce our revenues and earnings."

In 2025, we recorded an inventory impairment of $74.0 million to reflect the lower of cost and net realizable value.

Redeemable Non-controlling Interests in Subsidiaries, including Tax Equity Partnerships

We finance a portion of the costs of our recently constructed U.S. solar energy and battery energy storage projects through tax equity partnerships. We account for our contractual relationships with tax equity investors using the Hypothetical Liquidation at Book Value ("HLBV") method. These tax equity partnerships are typically consolidated as variable interest entities ("VIEs") in which we hold a variable interest and are deemed the primary beneficiary.

Under the terms of these arrangements, tax equity investors are generally entitled to substantially all of the accelerated depreciation tax deductions and investment tax credits associated with the projects, together with a portion of the distributable cash. Their entitlement to these benefits typically declines to a residual interest after a predefined flip point is reached, typically the expiration of a time period or the achievement of a target yield. Because the allocation of tax attributes and cash flows is not proportionate to initial capital contributions or ownership percentages, these arrangements represent substantive profit-sharing arrangements. In order to reflect the substantive profit-sharing arrangements under the HLBV method, the income or loss attributable to redeemable noncontrolling interests reflects the changes in the amounts that tax equity investors would hypothetically receive upon liquidation of the applicable partnerships at the beginning and end of each reporting period, after considering any capital transactions, such as contributions or distributions, between our subsidiaries and tax equity investors. The hypothetical liquidation assumptions are periodically reviewed to reflect significant events or changes in circumstances that could affect the distribution or liquidation priorities, including changes in expected flip dates, anticipated tax equity partnership period, or other events that may alter the expected duration and future cash flows of the partnership and its underlying assets. Attributing income or loss to the tax equity investors under the HLBV method requires significant assumptions and estimates to calculate the amounts that tax equity investors would receive in a hypothetical liquidation over the expected partnership duration. Changes in these assumptions and estimates can materially affect the income or loss allocated to the tax equity investors.

In 2025, we recorded a HLBV adjustment of $90.8 million to reflect the changes in the tax equity investors' interest in the net assets of the relevant tax equity partnerships. In 2024, we classified Recurrent Energy B.V.'s preferred shares as redeemable non-controlling interests. The carrying value of the redeemable non-controlling interest is not accreted or adjusted to redemption value unless the redemption of such preferred shares by our subsidiary becomes probable, which involves significant judgment.

Warranties

We provide warranties on solar products and battery storage systems covering performance, manufacturing defects, and degradation. We have established procedures to monitor trends in warranty support, replacement and repair costs, historical claims experience, expected failure rates based on quality reviews and other relevant assumptions. These estimates are revised as necessary to reflect new information. We also assess expected future product performance through quality and reliability testing, and actual field operating information. In 2025, we accrued warranty provisions of $70.1 million. As of December 31, 2025, our accrued warranty liability was $138.4 million.

ITEM 6 *DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES*

A Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of the date of this annual report on Form 20-F.

Name	Age	Position/Title
Dr. Shawn (Xiaohua) Qu	62	Chairman of the Board and Chief Executive Officer
Professor Harry E. Ruda	67	Independent Director
Andrew L.C. Wong	68	Independent Director
Lauren C. Templeton	50	Independent Director
Leslie Chang	71	Lead Independent Director
Colin Parkin	55	Director and President
Yuan Z. Qu	33	Director
Xinbo Zhu	53	Chief Financial Officer
Dylan Marx	52	Chief Operating Officer
Yu Chen	54	Lead General Counsel and Chief Compliance Officer
Pauline W. Wong	51	Corporate Secretary and General Counsel

Dr. Shawn (Xiaohua) Qu founded Canadian Solar Inc. in Guelph, Ontario, Canada in 2001 and has been the chairman and chief executive officer of our company since then. He is also the Chairman of CSI Solar, and has been serving as a director of CSI Solar since September 2020. Canadian Solar went public on the Nasdaq in 2006 and is one of the world's largest solar technology and renewable energy companies, with approximately 17,000 employees globally. We are a leading manufacturer of solar photovoltaic modules, provider of solar energy and battery energy storage solutions, and developer of utility-scale solar power and battery energy storage projects with a geographically diversified pipeline in various stages of development. Over the past 23 years, our products and services have benefited thousands of customers in over 160 countries, and provided clean electricity to millions of households. Prior to founding Canadian Solar, Dr. Qu worked at ATS Automation Tooling Systems in Canada and its subsidiary Photowatt International in France. Before that, Dr. Qu was a Research Scientist at Ontario Hydro (now Ontario Power Generation). Dr. Qu received the EY Sustainability Excellence Award 2023 for individuals and was named an Innovator on the TIME100 Climate List of the 100 most influential leaders driving business climate action of 2024. Dr. Qu received a BSc degree from Tsinghua University, an MSc degree in Physics from the University of Manitoba and a PhD degree in Materials Science from the University of Toronto. Dr. Qu continued working as a postdoctoral researcher at the University of Toronto, focusing on semiconductor optical devices and photovoltaic cells. Dr. Qu has been a fellow of Canadian Academy of Engineering since 2019.

Professor Harry E. Ruda has served as an independent director of our company since July 2011. He is the Director of the Centre for Advanced Nanotechnology, the Stanley Meek Chair in Nanotechnology and Professor of Applied Science and Engineering at the University of Toronto, Canada. From 1982 to 1984, he developed one of the first theories for electron transport in selectively doped two-dimensional electron gas heterostructures, while working as an IBM post-doctoral fellow. From 1984 to 1989, he was a senior scientist at 3M Corporation, developing some of the first models for electronic transport and optical properties of wide bandgap II-VI semiconductors. Professor Ruda joined the faculty of the University of Toronto in 1989 in the Materials Science and Engineering and Electrical and Computer Engineering Departments. His research interests focus on the fabrication and modeling of semiconductor nanostructures with applications in the fields of optoelectronics, energy and sensing. Professor Ruda was one of the founders of a Canadian National Centre of Excellence in Photonics. He has served on the Natural Sciences and Engineering Resesarch Council of Canada and on other government panels, including those of the Department of Energy, Environmental Protection Agency, National Science Foundation in the U.S. and the Royal Academy of Engineering and Engineering Physical Sciences Research Council in the United Kingdom. Professor Ruda is a Fellow of the Royal Society of Canada, a Fellow of the Institute of Physics, a Fellow of the Institute of Nanotechnology, and a Fellow of the Canadian Academy of Engineering. He obtained his Ph.D. in semiconductor physics from the Massachusetts Institute of Technology in 1982.

Mr. Andrew L.C. Wong has served as an independent director of our company since August 2014. Previously, he served as an independent non-executive director and vice-chairman of Huazhong In-Vehicle Holdings Company Limited from 2015 to 2025. Mr. Wong served as an independent non-executive director of Chubb Life Insurance Company Ltd. between 2008 and 2024, a director and a member of the audit committee, nomination and remuneration committee of China CITIC Bank Corporation Limited between 2013 and 2018. Mr. Wong was the director of Intime Retail (Group) Co. Ltd. between 2013 and 2014, and was the director and a member of audit committee, risk management committee, nomination and remuneration committee of China Minsheng Bank from 2006 to 2012. From 1982 to 2006, Mr. Wong held senior positions at the Royal Bank of Canada, the Union Bank of Switzerland, Citicorp International Limited, a merchant banking arm of Citibank, Hang Seng Bank Limited and DBS Bank Limited, Hong Kong. Mr. Wong was awarded the National Excellent Independent Director by the Shanghai Stock Exchange in 2010 and received the Medal of Honour (Hong Kong SAR) from the Hong Kong SAR Government in 2011. Mr. Wong obtained his Bachelor of Social Sciences (Honours) degree from the University of Hong Kong in 1980 and a Master of Philosophy degree from Hong Kong Buddhist College in 1982.

Ms. Lauren C. Templeton has served as an independent director of our company since January 2020. Ms. Templeton is the founder and President of Templeton & Phillips Capital Management, LLC, a global investing boutique located in Chattanooga, Tennessee. She is also an independent director and member of the audit committee of Fairfax Financial Holdings Limited, a financial holding company engaged in property and casualty insurance and reinsurance and associated investment management, and its publicly-traded subsidiary, Fairfax India Holdings Corporation. Ms. Templeton serves on a number of non-profit organizations, including serving as Chairperson of the Board of Trustees of the John Templeton Foundation. She is a member of the Templeton World Charities Foundation and the Templeton Religion Trust. She also serves on the Board of Overseers at the Atlas Economic Research Foundation. Ms. Templeton is the former President of the Southeastern Hedge Fund Association, based in Atlanta, Georgia. She is also the co-author of "Investing the Templeton Way: The Market Beating Strategies of Value Investing's Legendary Bargain Hunter", which has been translated into nine languages. Ms. Templeton holds a Bachelor of Arts Degree in Economics from the University of the South, Sewanee.

Mr. Leslie Chang has served as an independent director of our company since September 2020 and has served as a director of CSI Solar since December 2020. Mr. Chang is the lead independent director of our company. Mr. Chang is currently an independent non-executive director, chairman of the audit committee, and a member of the remuneration committee and nomination committee of Huzhou Gas Company Limited. From March 2014 to June 2025, Mr. Chang served as Senior Advisor to CITIC Capital (Holdings) Limited. Prior to that, Mr. Chang served as a senior corporate executive and board director at several companies listed on the Hong Kong Stock Exchange. He joined CITIC Pacific Limited (now known as China CITIC Limited) initially as General Manager, Finance in 1994 and later became the Executive Director and Deputy Managing Director of the company responsible for the Group's financial management, accounting, and treasury functions. Mr. Chang also served as the Executive Director and Chief Executive Officer of HKC (Holdings) Limited; Executive Director and Vice Chairman of China Renewable Energy Investment Limited; Alternate Director on the board of Cathay Pacific Airways Limited and Independent Non-Executive Director of Pou Sheng International (Holdings) Limited, among other senior executive roles. Mr. Chang started his career after graduating from George Mason University business school in 1984 and joined the New York Office of KPMG. He became a partner of the firm specializing in the financial services industry and served as the Director of the Chinese Practice. Mr. Chang served as a certified public accountant in the State of New York. He is a member of the American Institute of Certified Public Accountants, New York State Society of Certified Public Accountant, Chartered Global Management Accountants, and the Hong Kong Institute of Certified Public Accountants.

Mr. Colin Parkin has served as a director of our company since December 2025. He is the President of our company and continues to serve as President of e-STORAGE, our utility-scale energy storage division. At e-STORAGE, Mr. Parkin leads global strategy for advanced battery technologies, overseeing research and development as well as the establishment of global battery cell and battery system manufacturing facilities in the United States, Thailand, and China. Under his leadership, e-STORAGE has become a recognized global leader in delivering turnkey battery energy storage solutions. Previously, Mr. Parkin served as Vice President of our Energy Group, now Recurrent Energy, where he expanded the company's international solar project development pipeline to 8 GWp and managed major project financing and asset sales with leading global investors. His earlier roles include General Manager of Canada and Vice President of Engineering and Projects, developing the country's largest utility-scale solar projects and managing the domestic solar panel and medium voltage equipment manufacturing operations. Mr. Parkin began his career in advanced manufacturing and automation, having held leadership roles at Photowatt International and Automation Tooling Systems (ATS). He was also the Founder and CEO of Integrated Manufacturing Technologies (IMT), which was later acquired by Magna International. Mr. Parkin studied Manufacturing Engineering at Fanshawe College in London, Ontario.

Ms. Yuan Z. Qu has served as a director of our company since June 2025. She is the Vice President of Strategy and Innovation of one of our U.S. subsidiaries and plays a leading role in the development of our U.S. operations. Ms. Qu is based in Walnut Creek, California, and leads strategic initiatives focused on growth, innovation, and long-term competitiveness across global markets. She is responsible for evaluating organizational performance, identifying key development opportunities, and guiding strategic decision-making in coordination with internal leadership. Prior to rejoining our company in 2024, Ms. Qu was a Consultant at McKinsey & Company in San Francisco, where she advised clients in a variety of sectors, primarily in energy and infrastructure. She led market entry strategies in renewables, conducted buy-side diligence across emerging technologies, and advised early-stage climate tech companies. From 2016 to 2019, Ms. Qu worked in our New York office in the Mergers and Acquisitions group, where she managed strategic sales of over $600 million in solar projects across the Americas and led investor relations efforts in Latin America and Asia. She holds an MBA from the Haas School of Business at the University of California, Berkeley, and a Bachelor of Arts in Asian Studies and Sociology from Swarthmore College.

Mr. Xinbo Zhu has served as our Senior Vice President and Chief Financial Officer since May 2024. He also served as a director of our company from May 2024 to June 2025. Mr. Zhu has also served as the Special Advisor to the board of directors and a member of Infrastructure and Energy Advisory Committee of Republic Technologies Inc. (CSE: DOCT) (OTCQB: DOCKF) since February 2026. He previously served as chief supply and risk officer of Recurrent Energy, oversaw global procurement and chaired the investment committee. Before that, he was vice president of operations and project finance for our project development business before it was rebranded as Recurrent Energy in 2023. Mr. Zhu also served as finance controller of the company from 2018 to 2020, having been finance controller of the project development business from 2016 to 2018. Mr. Zhu joined the company in 2014 as special assistant to the CEO, responsible for corporate strategy. Before joining our company, he worked for multinational companies including Vishay, American Power Conversion and Royal Philips Electronics. Mr. Zhu earned his MBA from Rotman School of Management, University of Toronto, and his M.S. in electronic engineering and B.S. with double majors in telecommunication engineering and mechanical engineering from Shanghai Jiao Tong University.

Mr. Dylan Marx has served as our Chief Operating Officer since December 2025. He also serves as the corporate vice president of operations and the president of operations and maintenance for Recurrent Energy. Mr. Marx began his career at the company in 2013 as director of project management within our Energy Group, which later became Recurrent Energy. Mr. Marx brings deep experience across renewable energy, automation, and manufacturing. Prior to joining our company, he held engineering leadership roles at ATS in Canada, overseeing high-volume manufacturing for automotive, healthcare, and renewable energy applications. He later joined BlackBerry, where he supported device manufacturing and hardware quality operations. Mr. Marx holds a diploma in Mechanical Engineering, Design, and Analysis from Conestoga College and an MBA from the University of Windsor.

Ms. Yu Chen has served as Lead General Counsel of our company since December 2023, as Chief Compliance Officer since March 2025, and as Vice President since January 2026. In these roles, she leads the company's global legal strategy and oversees its legal and compliance functions. Prior to joining our company, Ms. Chen was Senior Commercial Counsel at NIO, an electric vehicle company, where she managed commercial contracting and provided legal guidance on export controls, strategic transactions, technology licensing, privacy, and other key legal matters. Previously, Ms. Chen served as Assistant General Counsel at Kurt J. Lesker Company, a Pittsburgh-based manufacturer of vacuum deposition products. She began her legal career at the international law firms Arnold & Porter and Sidley Austin, where she focused on corporate and securities law, advising on corporate governance, mergers and acquisitions, SEC reporting and compliance, and capital markets transactions. Ms. Chen received her undergraduate education at Peking University and Dartmouth College and received her J.D. from Georgetown University Law Center.

Ms. Pauline W. Wong has served as Corporate Secretary since December 2025. Since 2022, she has also held the title of General Counsel to Canadian Solar Inc. Prior to that, she supported Recurrent Energy and its Operations & Maintenance business. From 2020 to 2021, Ms. Wong served as Associate General Counsel to Global EPC Turnkey Services under the Module and Systems Solutions business. Pauline began her career at Canadian Solar in 2014 as Legal Counsel in the headquarters located in Guelph, Canada. Before joining our company, Pauline held positions as Legal Counsel for Tim Hortons and as Visiting Professor at Osgoode Hall Law School (York University). Pauline began her legal career as an Associate at Blake, Cassels & Graydon LLP, a leading law firm in Toronto, Canada. Pauline earned her dual LL.B. and B.C.L. in the common law and civil law traditions from McGill University and a B.A.Sc. in Systems Design Engineering from the University of Waterloo.

Duties of Directors

Under the OBCA, Canadian Solar Inc.'s directors are required to manage, or to supervise the management of, the business and affairs of our company. Pursuant to the OBCA, every director and officer of Canadian Solar Inc. in exercising his or her powers and discharging his or her duties to us shall act honestly and in good faith with a view to our best interests and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A shareholder has the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include (i) convening shareholder meetings and reporting to shareholders at such meetings, (ii) declaring dividends and authorizing other distributions to shareholders, (iii) appointing officers and determining the term of office of officers, (iv) exercising the borrowing powers of our company, and (v) mortgaging the property of our company and approving the issuance of shares.

Every director and officer of Canadian Solar Inc. has a duty to comply with the OBCA and the regulations made thereunder and with our articles and by-laws. No provision in a contract or in the articles or by-laws of Canadian Solar Inc. or a resolution of our board of directors relieves a director or officer from the duty to act in accordance with the OBCA and the regulations made thereunder or relieves him or her from liability for a breach thereof.

However, a director will not be liable for breaching his or her duty to act in accordance with the OBCA in certain circumstances if the director exercised the care, diligence and skill that a reasonably prudent person would have exercised in comparable circumstances, including reliance in good faith on the following:

- financial statements of our company represented to him or her by an officer of our company or in a written report of the auditor of our company as presenting fairly the financial position of our company in accordance with generally accepted accounting principles;
- an interim or other financial report of our company represented to him or her by an officer of our company as presenting fairly the financial position of our company in accordance with generally accepted accounting principles;
- a report or advice of an officer or employee of our company, where it is reasonable in the circumstances to rely on the report or advice; or
- a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

B Compensation of Directors and Executive Officers

Cash Compensation

We paid our directors, executive officers and key management personnel aggregate cash remuneration, including salaries, bonuses and benefits in kind, of approximately $11.8 million for 2025. Of this amount, we paid approximately $0.3 million to our four independent directors, approximately $3.5 million to our executive officers and $8.0 million to key management personnel. The total amount set aside or accrued by us and our subsidiaries to provide pension, retirement or similar benefits for our directors and executive officers was approximately $0.4 million in 2025.

The following table summarizes the base compensation of our executive officers and key management personnel for the year ended December 31, 2025. Target performance-based compensation is calculated as a percentage of base salary. The actual bonus payable may be more or less than the annual target bonus, depending on the achievement of both corporate and individual performance goals.

Name	Base Salary (in thousands of $)
Shawn (Xiaohua) Qu	962
Colin Parkin	542
Yuan Z. Qu	282
Xinbo Zhu	459
Dylan Marx	349
Yu Chen	290
Pauline W. Wong	185
Canadian Solar Inc. executives[1]	2,914
CSI Solar executives[2]	1,772
Total	7,755

(1) Includes nine key management personnel across various corporate functions of Canadian Solar Inc.
(2) Includes five key management personnel across various corporate functions of CSI Solar.

Share Incentive Plans

In March 2006, we adopted a share incentive plan (the "Plan").

The purpose of the Plan is to promote the success and enhance the value of our company by linking the personal interests of the directors, employees and consultants to those of the shareholders and providing the directors, employees and consultants with an incentive for outstanding performance to generate superior returns to the shareholders. The Plan is also intended to motivate, attract and retain the services of the directors, employees and consultants upon whose judgment, interest and effort the successful conduct of our operations is largely dependent.

In September 2010, the shareholders approved an amendment to the Plan to increase the maximum number of common shares which may be issued pursuant to all awards of restricted shares, options and restricted share units under the Plan to the sum of (i) 2,330,000 plus (ii) the sum of (a) 1% of the number of our outstanding common shares on the first day of each of 2007, 2008 and 2009 and (b) 2.5% of our outstanding common shares on the first day of each calendar year after 2009. In June 2020, the shareholders approved an amendment to the Plan to extend the term of the Plan for a further ten-year period. As a result, the Plan will expire on, and no awards may be granted after June 30, 2029. As of January 31, 2026, the maximum number of common shares which may be issued pursuant to all awards of restricted shares, options and restricted share units under the Plan was 27,181,000 common shares, of which 566,190 restricted shares, 3,283,393 options, and 10,488,600 restricted share units (in each case net of forfeitures) have been awarded, leaving 12,842,817 common shares available to be issued.

The following describes the principal terms of the Plan:

Types of Awards. We may make the following types of awards under the Plan:

- restricted shares, which are common shares that are subject to certain restrictions and may be subject to a risk of forfeiture or repurchase;
- options, which entitle the holder to purchase our common shares; and
- restricted share units, which entitle the holder to receive our common shares.

Plan Administration. The Compensation Committee of our board of directors administers the Plan. The Compensation Committee or the full board of directors, as appropriate, determines the provisions, terms, and conditions of each award.

Award Agreement. Awards are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award.

Eligibility. We may grant awards to employees, directors and consultants of our company or any of our related entities, which include our subsidiaries and any entities in which we hold a substantial ownership interest. We may, however, grant options that are intended to qualify as incentive share options only to our employees.

Acceleration of Awards upon Corporate Transactions. Outstanding awards will accelerate upon a change-of-control where the successor entity does not assume our outstanding awards. In such event, each outstanding award will become fully vested and immediately exercisable, the transfer restrictions on the awards will be released and the repurchase or forfeiture rights will terminate immediately before the date of the change-of-control transaction.

Exercise Price and Term of Options. In general, the Compensation Committee determines the exercise price of an option and sets out the price in the award agreement. The exercise price may be a fixed or variable price related to the fair market value of our common shares. If we grant an incentive share option to an employee who, at the time of that grant, owns shares representing more than 10% of the voting power of all classes of our share capital, the exercise price cannot be less than 110% of the fair market value of our common shares on the date of that grant and the share option is exercisable for no more than five years from the date of that grant.

The term of an award may not exceed ten years from the date of the grant.

Vesting Schedule. In general, the Compensation Committee determines the vesting schedule.

Restricted Share Units

The following table summarizes, as of January 31, 2026, the restricted share units that we had granted under the Plan to our directors, executive officers and certain other individuals.

Name	Restricted Share Units Granted	Restricted Share Units Vested	Restricted Share Units Forfeited	Date of Grant
Directors:				
Dr. Shawn (Xiaohua) Qu	6,154 (1)	6,154	—	May 8, 2011
	13,706 (2)	13,706	—	May 20, 2011
	75,075 (2)	75,075	—	March 16, 2012
	67,024 (2)	67,024	—	March 9, 2013
	11,983 (2)	11,983	—	May 4, 2014
	8,274 (2)	8,274	—	May 3, 2015
	20,216 (2)	20,216	—	July 8, 2016
	121,951 (3)	121,951	—	November 6, 2016
	22,607 (2)	22,607	—	May 17, 2017
	77,289 (3)	77,289	—	November 5, 2017
	18,018 (2)	18,018	—	May 13, 2018
	83,805 (3)	83,805	—	November 10, 2018
	15,690 (2)	15,690	—	May 13, 2019
	26,691 (3)	26,691	—	November 9, 2019
	15,748 (2)	15,748	—	May 23, 2020
	11,924 (2)	11,924	—	August 22, 2020
	26,073 (4)	26,073	—	December 30, 2020
	250,000 (6)	250,000	—	August 10, 2020
	12,330 (2)	9,247	—	May 23, 2022
	7,585 (2)	3,792	—	May 23, 2023
	18,326 (2)	4,581	—	May 20, 2024
	32,531 (2)	—	—	May 12, 2025

Name	Restricted Share Units Granted	Restricted Share Units Vested	Restricted Share Units Forfeited	Date of Grant
Professor Harry E. Ruda	1,020	1,020	—	July 1, 2014
	800	800	—	October 1, 2014
	1,274	1,274	—	January 1, 2015
	880	880	—	April 1, 2015
	993	993	—	July 1, 2015
	1,820	1,820	—	October 1, 2015
	1,033	1,033	—	January 1, 2016
	1,572	1,572	—	April 1, 2016
	2,051	2,051	—	July 1, 2016
	2,228	2,228	—	October 1, 2016
	2,411	2,411	—	January 1, 2017
	2,562	2,562	—	April 1, 2017
	1,901	1,901	—	July 1, 2017
	1,818	1,818	—	October 1, 2017
	1,767	1,767	—	January 1, 2018
	1,802	1,802	—	April 1, 2018
	2,458	2,458	—	July 1, 2018
	2,056	2,056	—	October 1, 2018
	2,096	2,096	—	January 1, 2019
	1,623	1,623	—	April 1, 2019
	1,381	1,381	—	July 1, 2019
	1,486	1,486	—	October 1, 2019
	1,361	1,361	—	January 1, 2020
	1,883	1,883	—	April 1, 2020
	1,587	1,587	—	July 1, 2020
	908	908	—	October 1, 2020
	588	588	—	January 1, 2021
	639	639	—	April 1, 2021
	20,000 (6)	20,000	—	August 10, 2020
	693	693	—	July 1, 2021
	883	883	—	October 1, 2021
	969	969	—	January 1, 2022
	843	843	—	April 1, 2022
	942	942	—	July 1, 2022
	796	796	—	October 1, 2022
	989	989	—	January 1, 2023
	770	—	—	April 1, 2023
	809	—	—	July 1, 2023
	1,203	—	—	October 1, 2023
	1,157	—	—	January 1, 2024
	1,602	—	—	April 1, 2024
	1,953	—	—	July 1, 2024
	1,955	—	—	October 1, 2024
	2,629	—	—	January 1, 2025
	3,180	—	—	April 1, 2025
	2,731	—	—	July 1, 2025
	2,303	—	—	October 1, 2025
	1,246	—	—	January 1, 2026
Andrew (Luen Cheung) Wong	610	610	—	August 7, 2014
	800	800	—	October 1, 2014
	1,274	1,274	—	January 1, 2015
	880	880	—	April 1, 2015
	993	993	—	July 1, 2015
	1,820	1,820	—	October 1, 2015
	1,033	1,033	—	January 1, 2016
	1,572	1,572	—	April 1, 2016
	2,051	2,051	—	July 1, 2016
	2,228	2,228	—	October 1, 2016
	2,411	2,411	—	January 1, 2017
	2,562	2,562	—	April 1, 2017
	1,901	1,901	—	July 1, 2017
	1,818	1,818	—	October 1, 2017
	1,767	1,767	—	January 1, 2018
	1,802	1,802	—	April 1, 2018
	2,458	2,458	—	July 1, 2018

	2,056	2,056	—	October 1, 2018
	2,096	2,096	—	January 1, 2019
	1,623	1,623	—	April 1, 2019
	1,381	1,381	—	July 1, 2019
	1,486	1,486	—	October 1, 2019
	1,361	1,361	—	January 1, 2020
	1,883	1,883	—	April 1, 2020
	1,587	1,587	—	July 1, 2020
	908	908	—	October 1, 2020
	588	588	—	January 1, 2021
	639	639	—	April 1, 2021
	20,000 (6)	20,000	—	August 10, 2020
	693	693	—	July 1, 2021
	883	883	—	October 1, 2021
	969	969	—	January 1, 2022
	843	843	—	April 1, 2022
	942	942	—	July 1, 2022
	796	796	—	October 1, 2022
	989	989	—	January 1, 2023
	770	—	—	April 1, 2023
	809	—	—	July 1, 2023
	1,203	—	—	October 1, 2023
	1,157	—	—	January 1, 2024
	1,602	—	—	April 1, 2024
	1,953	—	—	July 1, 2024
	1,955	—	—	October 1, 2024
	2,629	—	—	January 1, 2025
	3,180	—	—	April 1, 2025
	2,731	—	—	July 1, 2025
	2,303	—	—	October 1, 2025
	1,246	—	—	January 1, 2026
Lauren C. Templeton	1,361	1,361	—	January 1, 2020
	1,883	1,883	—	April 1, 2020
	1,587	1,587	—	July 1, 2020
	908	908	—	October 1, 2020
	588	588	—	January 1, 2021
	639	639	—	April 1, 2021
	20,000 (6)	20,000	—	August 10, 2020
	693	693	—	July 1, 2021
	883	883	—	October 1, 2021
	969	969	—	January 1, 2022
	843	843	—	April 1, 2022
	942	942	—	July 1, 2022
	796	796	—	October 1, 2022
	989	989	—	January 1, 2023
	770	—	—	April 1, 2023
	809	—	—	July 1, 2023
	1,203	—	—	October 1, 2023
	1,157	—	—	January 1, 2024
	1,602	—	—	April 1, 2024
	1,953	—	—	July 1, 2024
	1,955	—	—	October 1, 2024
	2,629	—	—	January 1, 2025
	3,180	—	—	April 1, 2025
	2,731	—	—	July 1, 2025
	2,303	—	—	October 1, 2025
	1,246	—	—	January 1, 2026
Leslie Li Hsien Chang	908	908	—	October 1, 2020
	588	588	—	January 1, 2021
	639	639	—	April 1, 2021
	20,000 (6)	20,000	—	August 10, 2020
	693	693	—	July 1, 2021
	883	883	—	October 1, 2021
	969	969	—	January 1, 2022
	843	843	—	April 1, 2022
	942	942	—	July 1, 2022
	796	796	—	October 1, 2022

	989	989	—	January 1, 2023
	770	—	—	April 1, 2023
	809	—	—	July 1, 2023
	1,203	—	—	October 1, 2023
	1,157	—	—	January 1, 2024
	1,602	—	—	April 1, 2024
	1,953	—	—	July 1, 2024
	1,955	—	—	October 1, 2024
	2,629	—	—	January 1, 2025
	3,180	—	—	April 1, 2025
	2,731	—	—	July 1, 2025
	2,303	—	—	October 1, 2025
	1,246	—	—	January 1, 2026
Colin Parkin	7,634 (2)	7,634	—	July 1, 2019
	5,249 (2)	5,249	—	May 23, 2020
	21,000 (6)	21,000	—	August 10, 2020
	3,975 (2)	3,975	—	August 22, 2020
Yuan Z. Qu	11,078 (2)	2,769	—	January 10, 2024
Directors as a group	**1,279,235**	**1,131,622**	**—**	

Name	Restricted Share Units Granted	Restricted Share Units Vested	Restricted Share Units Forfeited	Date of Grant
Employees				
Hanbing Zhang	1,538 (1)	1,538	—	May 8, 2011
	5,482 (2)	5,482	—	May 20, 2011
	21,021 (2)	21,021	—	March 16, 2012
	18,767 (2)	18,767	—	March 9, 2013
	2,796 (2)	2,796	—	May 4, 2014
	2,344 (2)	2,344	—	May 3, 2015
	4,717 (2)	4,717	—	July 8, 2016
	5,275 (2)	5,275	—	May 17, 2017
	4,204 (2)	4,204	—	May 13, 2018
	3,661 (2)	3,661	—	May 13, 2019
	5,249 (2)	5,249	—	May 23, 2020
	3,975 (2)	3,975	—	August 22, 2020
	20,000 (6)	20,000	—	August 10, 2020
Xinbo Zhu	2,542 (2)	2,542	—	May 4, 2014
	1,931 (2)	1,931	—	May 3, 2015
	6,739 (2)	6,739	—	July 8, 2016
	11,304 (2)	11,304	—	May 17, 2017
	9,009 (2)	9,009	—	May 13, 2018
	7,845 (2)	7,845	—	May 13, 2019
	7,874 (2)	7,874	—	May 23, 2020
	5,962 (2)	5,962	—	August 22, 2020
	120,000 (6)	120,000	—	August 10, 2020
	6,165 (2)	4,624	—	May 23, 2022
	3,793 (2)	1,896	—	May 23, 2023
	12,217 (2)	3,054	—	May 20, 2024
	21,687 (2)	—	—	May 12, 2025
Dylan Marx	1,931 (2)	1,931	—	May 3, 2015
	4,717 (2)	4,717	—	July 8, 2016
	5,275 (2)	5,275	—	May 17, 2017
	4,204 (2)	4,204	—	May 13, 2018
	3,661 (2)	3,661	—	May 13, 2019
	2,625 (2)	2,625	—	May 23, 2020
	5,000 (6)	5,000	—	August 10, 2020
	3,975 (2)	3,975	—	August 22, 2020
	4,110 (2)	3,082	—	May 23, 2022
	2,528 (2)	1,264	—	May 23, 2023
	6,109 (2)	—	—	May 20, 2024
	10,870 (2)	—	—	May 12, 2025
Yu Chen	7,625 (2)	3,812	—	March 9, 2024
	10,844 (2)	—	—	May 12, 2025
Pauline W. Wong	1,556 (2)	1,556	—	May 8, 2016
	1,050 (2)	525	525	May 23, 2020
	795 (2)	199	596	August 22, 2020
Other employees and certain individuals as a group	10,742,724 (5)	7,539,588	1,925,210	Various dates from May 8, 2011 to January 1, 2026
Total Restricted Share Units	12,414,931	9,884,693	1,926,331	

(1) Vest over a one-year period from the date of grant.

(2) Vest over a four-year period from the date of grant, except for the August 22, 2020 grants, which vest over a four-year period beginning May 1, 2021.

(3) Vest over an eight-quarter period from the date of grant.

(4) Vest immediately upon the date of grant.

(5) 13,844 restricted share units granted on May 8, 2011 vested over one-year period from the date of grant. 126,036 restricted share units granted on August 11, 2013 vested immediately upon the date of grant. 1,326,000 restricted share units granted on June 2, 2021 and 205,000 restricted share units granted on October 25, 2022 vested following the completion of the IPO of CSI Solar (50% vested on the IPO date, with 25% vesting on each of the first and second anniversaries of the IPO). All other restricted share units granted vest over a four-year period from the date of grant.

(6) Vest following completion of the IPO of CSI Solar (50% vested on the IPO date, with 25% vesting on each of the first and second anniversaries of the IPO).

We grant each of our independent directors restricted share units quarterly in advance on the first day of July, October, January and April in each year of service. The number of restricted share units granted quarterly is determined by dividing $30,000 by the average of the closing price of our common shares on each of the five trading days preceding the date of the grant. Each restricted share unit will entitle those directors to receive one of our common shares upon vesting. These restricted share units vest on the earlier of the date that the director ceases to be a member of our board of directors for any reason and three years after the grant date. We agree to issue common shares to those directors as soon as practicable, and in any event within 60 days, after the granted restricted share units vested.

CSI Solar Share Incentive Plan

In November 2024, CSI Solar adopted a restricted share incentive plan that provides for the grant of equity awards, including options to purchase CSI Solar shares to its directors, officers and employees. The awards are subject to service-based and performance-based vesting conditions, as determined by the board of directors of CSI Solar.

On November 28, 2024, CSI Solar granted options to purchase an aggregate of 54,004,000 CSI Solar shares, with an exercise price of RMB 5.56 ($0.77) per share. The grants include the following awards to certain of our director, executive officer and related persons:

Name	Share Options Granted	Share Options Vested	Share Options Forfeited	Date of Grant
Director:				
Shawn (Xiaohua) Qu	2,520,000 (7)	—	—	November 28, 2024
Employees:				
Hanbing Zhang	840,000 (7)	—	—	November 28, 2024

(7) CSI Solar share options are subject to time-based and performance-based vesting conditions and will vest in three tranches over a four-year period, beginning 12 months after the grant date. 33% of the options will vest between months 12 and 24, an additional 33% will vest between months 24 and 36, and the remaining 34% will vest between months 36 and 48, subject to continued employment and the achievement of applicable performance criteria.

C Board Practices

In 2025, our board of directors held 12 meetings and passed 52 resolutions by unanimous written consent.

Terms of Directors and Executive Officers

Our officers are appointed by and serve at the discretion of our board of directors. Our current directors have not been elected to serve for a specific term and, unless re-elected, hold office until the close of our next annual meeting of shareholders or until such time as their successors are elected or appointed.

Committees of the Board of Directors

Our board of directors has established an audit committee, a compensation committee, a nominating and corporate governance committee, a technology committee and a sustainability committee.

Audit Committee

Our audit committee consists of Mr. Leslie Chang, Professor Harry E. Ruda and Mr. Andrew L.C. Wong, and is chaired by Mr. Chang. Mr. Wong was appointed to serve on our audit committee effective July 17, 2024. Under applicable Nasdaq rules, we are required to have at least three members on the Audit Committee. Mr. Chang qualifies as an "audit committee financial expert" as required by the SEC. Professor Ruda and Mr. Wong are "financially literate" as required by Nasdaq rules. Each member of our audit committee satisfies the "independence" requirements under Nasdaq corporate governance rules. The audit committee oversees our accounting and financial reporting processes and the audits of our consolidated financial statements.

The audit committee is responsible for, among other things:

- selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- reviewing with our independent auditors identified critical audit matter, any audit concerns or difficulties and management responses;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the audited consolidated financial statements with management and our independent auditors;
- reviewing major issues related to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- addressing such other matters as they may be specifically delegated to the audit committee by our board of directors from time to time;
- meeting separately and periodically with management and our internal and independent auditors; and
- reporting regularly to the full board of directors.

In 2025, our audit committee held seven meetings and did not pass any resolutions by unanimous written consent.

Compensation Committee

Our compensation committee consists of Mr. Andrew L.C. Wong, Professor Harry E. Ruda and Ms. Lauren Templeton, and is chaired by Mr. Wong. Each member of our compensation committee satisfies the "independence" requirements of Nasdaq corporate governance rules. The compensation committee assists the board of directors in reviewing and approving the compensation structure for our directors and executive officers, including all forms of compensation to be provided to our directors and executive officers. Members of the compensation committee are not prohibited from direct involvement in determining their own compensation. Our chief executive officer may not be present at any committee meeting during which the compensation of whom is deliberated.

The compensation committee is responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, evaluating the performance of our chief executive officer in light of those goals and objectives, and setting the compensation level of our chief executive officer based on that evaluation;
- reviewing and approving the compensation arrangements for our directors and other executive officers; and

- overseeing and periodically reviewing the operation of our employee benefits plans, including bonus, incentive compensation, stock incentives, pension and welfare plans.

In 2025, our compensation committee held five meetings and did not pass any resolutions by unanimous written consent.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Ms. Lauren Templeton, Mr. Andrew L.C. Wong and Mr. Leslie Chang, and is chaired by Ms. Templeton. Each member of our nominating and corporate governance committee satisfies the "independence" requirements of Nasdaq corporate governance rules. The nominating and corporate governance committee assists the board of directors in identifying individuals qualified to become our directors and in determining the composition of the board of directors and its committees.

The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending to the board of directors nominees for election or re-election to the board, or for appointment to fill any vacancies;
- reviewing annually with the board of directors the composition of the board of directors in terms of independence, skills, experience, strengths and availability of service to us;
- recommending to the board of directors, the directors to serve as members of the board's committees;
- advising on developments in corporate governance and compliance, and making recommendations to the board of directors on all matters of corporate governance and on any corrective actions to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

In 2025, our nominating and corporate governance committee held eight meetings and did not pass any resolutions by unanimous written consent.

Technology Committee

Our technology committee consists of Professor Harry E. Ruda and Dr. Shawn Qu, and is chaired by Professor Ruda. The technology committee advises the board of directors and management on technology and innovation matters in support of our overall strategy and performance.

The technology committee is responsible for, among other things:

- evaluating and advising the board of directors and management regarding the quality, scope, direction and effectiveness of our research and development programs and activities;
- reviewing and advising the board of directors and management regarding our progress towards our research and development goals and objectives;
- advising the board of directors and management on internal and external science and technology investments;
- monitoring, evaluating and advising the board of directors and management regarding competing solar, battery and other emerging power technologies, as well as new and emerging science and technologies;
- assessing and advising the board of directors and our chief executive officer regarding the composition and quality of the research and development function; and

- providing general oversight on intellectual property matters.

In 2025, our technology committee held one meeting and did not pass any resolutions by unanimous written consent.

Sustainability Committee

Our sustainability committee consists of Ms. Lauren Templeton, Mr. Leslie Chang and Professor Harry E. Ruda, and is chaired by Ms. Templeton. Professor Ruda was appointed to serve on our sustainability committee effective July 17, 2024. The sustainability committee oversees management's ESG plans.

The sustainability committee is responsible for, among other things:

- reviewing sustainability-related risks and opportunities associated with our strategy and business development;
- reviewing climate-related risks and opportunities;
- monitoring progress and advising on strategic measures related to the long-term sustainability initiatives; and
- overseeing the progress, execution and review of our ESG plan.

In 2025, our sustainability committee held one meeting and did not pass any resolutions by unanimous written consent.

Interested Transactions

The OBCA contains provisions that relate to a scenario where a director or officer of Canadian Solar Inc. is a party to a material contract or transaction or proposed material contract or transaction with our company, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with our company, as summarized below.

A director or officer of Canadian Solar Inc. who is a party to a material contract or transaction or proposed material contract or transaction with our company, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with our company, shall disclose in writing to Canadian Solar Inc. or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest. In the case of a director, such disclosure shall be made (a) at the meeting at which a proposed contract or transaction is first considered; (b) if the director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested; (c) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or (d) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he or she becomes a director. In the case of an officer who is not a director, such disclosure shall be made (a) forthwith after the officer becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of directors; (b) if the officer becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested; or (c) if a person who is interested in a contract or transaction later becomes an officer, forthwith after he or she becomes an officer. Where a director or officer of Canadian Solar Inc. is required to make such disclosure in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of our business, would not require approval by the directors or shareholders, the director or officer shall disclose in writing to Canadian Solar Inc. or request to have entered in the minutes of meetings of directors the nature and extent of his or her interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction. A general notice to the directors by a director or officer disclosing that he or she is a director or officer of or has a material interest in a person, or that there has been a material change in the director's or officer's interest in the person, and is to be regarded as interested in any contract made or any transaction entered into with that person, is sufficient disclosure of interest in relation to any such contract or transaction.

A director who is required to make such disclosure in respect of a material contract or transaction or proposed material contract or transaction shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is (a) one relating primarily to his or her remuneration as a director of our company or an affiliate; (b) one for indemnity or insurance under the OBCA; or (c) one with an affiliate of our company. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting for such reason, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution. Where all of the directors are required to make such disclosure in respect of a material contract or transaction or proposed material contract or transaction, the contract or transaction may be approved only by the shareholders.

Where a material contract is made or a material transaction is entered into between our company and a director or officer of Canadian Solar Inc., or between our company and another person of which a director or officer of Canadian Solar Inc. is a director or officer or in which he or she has a material interest, (a) the director or officer is not accountable to our company or our shareholders for any profit or gain realized from the contract or transaction; and (b) the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with the OBCA, and the contract or transaction was reasonable and fair to our company at the time it was so approved.

A director or officer, acting honestly and in good faith, is not accountable to our company or to our shareholders for any profit or gain realized from any such contract or transaction by reason only of his or her holding the office of director or officer, and the contract or transaction, if it was reasonable and fair to our company at the time it was approved, is not by reason only of the director's or officer's interest therein void or voidable, where, (a) the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose; and the nature and extent of the director's or officer's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in the information circular required by the OBCA.

Subject to those exceptions, where a director or officer of Canadian Solar Inc. fails to disclose his or her interest in a material contract or transaction in accordance with the OBCA or otherwise fails to comply with the relevant provisions of the OBCA, Canadian Solar Inc. or a shareholder of Canadian Solar Inc. may apply to the court for an order setting aside the contract or transaction and directing that the director or officer account to Canadian Solar Inc. for any profit or gain realized and upon such application the court may so order or make such other order as it thinks fit.

In 2025, we did not enter into any interested transactions other than those described in this "Item 6. Directors, Senior Management and Employees" and "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions."

Remuneration and Borrowing

Our directors may determine the remuneration to be paid to them. The compensation committee will assist the directors in reviewing and approving the compensation structure for our directors.

Pursuant to the OBCA, Canadian Solar Inc.'s articles are deemed to state that our directors may, without authorization of the shareholders, (a) borrow money upon the credit of the corporation; (b) issue, reissue, sell or pledge debt obligations of the corporation; (c) give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any obligation of the corporation.

Employment Agreements

We have entered into employment agreements with each of our executive officers.

All of the employment agreements with our executive officers are for an indefinite term. Under the employment agreements, we may terminate the employment of an executive officer at any time by giving written notice of termination to the executive officer. An executive officer may terminate his employment at any time by giving 30 days' written notice of termination to us.

If we terminate the employment of an executive officer for any reason other than cause or disability, or the executive officer terminates his employment for good reason, in both cases other than within 12 months after a change of control, (a) the unvested RSUs held by the executive officer immediately before the date of termination of the employment that would otherwise vest within 12 months after the date of termination of the employment will be deemed to have vested immediately before the date of termination of the employment; (b) the executive officer is entitled to receive his target bonus for the year in which the date of termination of the employment occurs; and (c) the executive officer is entitled to continue to receive his base salary and benefits for a period of six plus N months following the date of termination of the employment provided that he continues to comply with his confidentiality, inventions, non-competition, non-solicitation and assistance obligations described below. "N" is the number of years (including part years) that the executive officer was employed by us and our subsidiaries during the period beginning on January 1, 2007 and ending on the date of termination of the Employment but not exceeding 12.

If we terminate the employment of an executive officer for any reason other than cause or disability, or the executive officer terminates his employment for good reason, in both cases within 12 months after a change of control, (a) all unvested RSUs held by the executive officer immediately before the date of termination of the employment will be deemed to have vested immediately before the date of termination of the employment; (b) the executive officer is entitled to receive an lump sum amount equal to the sum of: (1) his target bonus for the year in which the date of termination of the employment occurs, (2) his annual base salary and (3) the estimated annual cost of his providing his benefits multiplied by a fraction, the numerator of which is 12 plus N and the denominator of which is 12.

Each executive officer has agreed: (a) not to disclose or use any of our confidential information, including trade secrets and information concerning our finances, employees, technology, processes, facilities, products, suppliers, customers and markets, except in the performance of his duties and responsibilities or as required pursuant to applicable law; (b) to disclose in confidence to us all inventions, designs and trade secrets which he may conceive, develop or reduce to practice during his employment and to assign all right, title and interest in them to us; (c) during and within one year after the termination of his employment, (1) not to communicate or have any other dealings with our customers or suppliers that would be likely to harm the business relationship between us and our suppliers; (2) not to provide services, whether as a director, officer, employee, independent contractor or otherwise, to a competitor; and (3) not to solicit, whether by offer of employment or otherwise, the services of any of our employees; and (d) at our request, to answer our requests for information about those aspects of our business and affairs in which he was involved and assist us in prosecuting or defending claims or responding to investigations or reviews by any regulatory authority or stock exchange in relation to events or occurrences that took place during the employment. "Competitor" is a person that, directly or indirectly, carries on business in any jurisdiction where we and our subsidiaries carry on business if that person or any subsidiary or division of that person generates more than 10% of its revenues from solar power products and services similar to those provided by us and our subsidiaries.

Our compensation committee is required to approve the employment agreements entered into by us with our executive officers.

Director Agreements

We have entered into director agreements with our independent directors, pursuant to which we make payments in the form of an annual cash retainer, payable quarterly, and quarterly grants of restricted share units to our independent directors for their services. See "—B. Compensation of Directors and Executive Officers."

Indemnification of Directors and Officers

The OBCA contains provisions that relate to indemnification by Canadian Solar Inc. in favor of an individual who is a present or former director or officer or an individual who acts or has acted at our request as a director or officer, or an individual acting in a similar capacity, of another entity, as summarized below.

Canadian Solar Inc. may indemnify any individual who is a present or former director or officer or an individual who acts or has acted at our request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with us or other entity. Canadian Solar Inc. may advance money to such an individual for such costs, charges and expenses of a proceeding, but the individual shall repay the money and Canadian Solar Inc. shall not indemnify any such individual unless the individual acted honestly and in good faith with a view to our best interests or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at our request. In addition, if the matter is a criminal or administrative action or proceeding that is enforced by a monetary penalty, Canadian Solar Inc. shall not indemnify such an individual under the OBCA unless the individual had reasonable grounds for believing that the individual's conduct was lawful.

Canadian Solar Inc. may, with the approval of a court, indemnify such an individual, or advance moneys to such an individual, in respect of an action by or on behalf of Canadian Solar Inc. or other entity to obtain a judgment in its favor, to which the individual is made a party because of the individual's association with Canadian Solar Inc. or other entity, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual acted honestly and in good faith with a view to our best interests or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at our request.

Any such individual is entitled to indemnity from Canadian Solar Inc. in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defence of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with Canadian Solar Inc. or other entity, if the individual seeking an indemnity (a) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; (b) acted honestly and in good faith with a view to our best interests or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at our request, and (c) if the matter is a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

Under Canadian Solar Inc.'s by-laws, Canadian Solar Inc. shall indemnify our directors and officers and former directors and officers and such other individual who acts or acted at our request as a director or officer, or in a similar capacity, of another entity, to the greatest extent permitted by law.

We have entered into indemnity agreements with each of our directors agreeing to indemnify them, to the fullest extent permitted by law, against all liability, loss, harm damage cost or expense, reasonably incurred by the director in respect of any threatened, pending, ongoing or completed claim or civil, criminal, administrative, investigative or other action or proceeding made or commenced against him or in which he is or was involved by reason of the fact that he is or was a director of our company.

Our directors and officers are covered by directors' and officers' insurance policies.

D Employees

As of December 31, 2023, 2024 and 2025, we had 22,234, 17,113 and 12,587 full-time employees, respectively. The following table sets forth the number of our employees categorized by our areas of operations and as a percentage of our workforce as of December 31, 2025.

	As of December 31, 2025	
	Number of Employees	Percentage of Total
Manufacturing and operations	7,314	58 %
General and administrative	3,321	26 %
Research and development	1,318	10 %
Sales and marketing	634	6 %
Total	12,587	100 %

As of December 31, 2025, we had 2,061 employees at our facilities and offices in the U.S., 9,187 in Asia Pacific, including China, and 1,339 in Europe and other regions. Our employees are not covered by any collective bargaining agreement. We consider our relations with our employees to be good. From time to time, we also employ or engage part-time employees or independent contractors to support our manufacturing, research and development and sales and marketing activities.

Our culture has always been to put people first and treat everyone with fairness and dignity. We are committed to maintaining an environment where all individuals are treated equally and provided with the opportunity to contribute and thrive. Best practices are implemented locally in keeping with our global strategies across our operating operations, from manufacturing to sales and project development. See "Item 4. Information on the Company—B. Business Overview—Environmental, Social and Governance Initiatives."

Continuous learning is the cornerstone of our human capital development strategy. Employees across all functions and levels of us are offered participation in the Canadian Solar education courses and programs, which are designed to support their career development through an extensive suite of resources, including classroom training, e-learning, coaching, mentoring and on-the-job training. We partner with professional consultants such as Development Dimensions International to establish leadership standards and create tailor-made development programs.

Training programs for junior positions are focused on developing technical and professional skills, including, but not limited to, areas such as project development, permitting, asset management, financing, sales management, order management and operations, supply chain management, marketing, technical services and support. This is complemented by specific training sessions designed to develop soft skills and nurture a culture of continuous self and mutual learning.

For more senior-level employees, our in-house training program is more targeted towards developing leadership and managerial skills. The Leadership Foundation Program focuses on executive strategy, effective decision-making, coaching for peak performance, delegation, and other leadership skills. Global workshops on key business topics such as PPA and storage are organized to help our leaders continue to learn. We also selectively sponsor key talents to attend top MBA programs.

We regularly carry out global succession planning reviews to identify high-potential talents and follow up with individual development plans for them. Our succession planning calls for a robust leadership development program. Initiatives such as the Business Leader Development Program, where we partner with prestigious universities to provide online lectures, webinars and project assignments, meet this need by providing training and development opportunities for all different levels of leadership. We also have a Middle Manager Development Program and a Frontline Leadership Program, where we partner with Franklin Covey to deliver leadership, individual effectiveness and business execution training to our business leaders.

We strive to create a culture of openness and transparency, which values and promotes two-way communication between management and team members. Feedback is both encouraged and appreciated, as we consider it a key driver for employee engagement.

We consider the turnover rate a valuable metric to measure the effectiveness of our programs and to assist in developing new programs. Our employee turnover for 2024 and 2025 was 28% and 26%, respectively. We believe the combination of training and development programs, regular performance reviews, competitive compensation, and the redesign of our company culture to better inspire employees, as well as career growth and development opportunities, has helped reduce voluntary turnover.

E Share Ownership

The following table sets forth information with respect to the beneficial ownership of our common shares as of January 31, 2026, the latest practicable date, by:

- each of our directors and executive officers; and
- each person known to us to beneficially own more than 5% of our common shares.

The calculations in the table below are based on the 67,816,724 common shares outstanding as of January 31, 2026.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of common shares beneficially owned by a person and the percentage ownership of that person, we have included common shares that the person has the right to acquire within 60 days from January 31, 2026, including through the vesting of any restricted share unit, or the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Common Shares Beneficially Owned[1]	
	Number	%
Directors and Executive Officers: [2]		
Dr. Shawn (Xiaohua) Qu [3]	14,054,888	20.7 %
Professor Harry E. Ruda	*	*
Andrew L.C. Wong	*	*
Lauren C. Templeton	*	*
Leslie Chang	*	*
Colin Parkin	*	*
Yuan Z. Qu	*	*
Xinbo Zhu	*	*
Dylan Marx	*	*
Yu Chen	*	*
Pauline W. Wong	*	*
All Directors and Executive Officers as a Group	14,291,500	20.9 %
Principal Shareholders:		
PAG [4]	10,989,020	16.2 %
Venture Holding S.a.r.l. SPF [5]	6,000,000	8.8 %
D. E. Shaw & Co., L.P. [6]	4,366,760	6.4 %

* The person beneficially owns less than 1% of our outstanding shares.

(1) Beneficial ownership is determined in accordance with Rule 13d-3 of the General Rules and Regulations under the Exchange Act, and includes voting or investment power with respect to the securities.

(2) The business address of our directors and executive officers is 4273 King Street East, Suite 102, Kitchener, Ontario, N2P 2E9, Canada.

(3) Comprises 14,028,597 common shares directly held by Dr. Shawn Qu and Ms. Hanbing Zhang, the wife of Dr. Shawn Qu, and 26,291 common shares issuable upon the exercise of options held by Dr. Shawn Qu and Ms. Zhang.

(4) Represents 10,989,020 common shares issuable upon conversion of the convertible notes that PAG Castle Holdings Pte. Ltd. has acquired or is entitled to acquire at any time within the next 60 days (all of which are or shall be immediately convertible), as reported on Schedule 13G/A filed jointly by PAG Castle Holdings Pte. Ltd., PAGGC II-1 (Cayman) Limited, PAG Growth II LP, PAG Growth Capital GP II Limited, PAG Growth Limited, Pacific Alliance Group Limited, and PAG on July 3, 2025. PAG Castle Holdings Pte. Ltd. is a Singapore company which is beneficially held as to 100.0% by PAGGC II-1 (Cayman) Limited. PAGGC II-1 (Cayman) Limited is a Cayman Islands company which is beneficially held as to 100.0% by PAG Growth II LP. PAG Growth II LP is a Cayman Islands limited partnership, of which PAG Growth Capital GP II Limited is the general partner. PAG Growth Capital GP II Limited is a Cayman Islands company which is beneficially held as to 100.0% by PAG Growth Limited. PAG Growth Limited, a Cayman Islands company, which is beneficially held as to 100.0% by Pacific Alliance Group Limited. Pacific Alliance Group Limited is a Cayman Islands company, which is beneficially held as to 100.0% by PAG. Each of PAGGC II-1 (Cayman) Limited, PAG Growth II LP, PAG Growth Capital GP II Limited, PAG Growth Limited, Pacific Alliance Group Limited, and PAG may thereby be deemed to beneficially own 8,241,765 common shares beneficially owned by PAG Castle Holdings Pte. Ltd. The percentage of beneficial ownership was calculated based on the total number of our common shares as of January 31, 2026. The principal business address of PAG Castle Holdings Pte. Ltd. is 9 Temasek Boulevard, #12-01/02, Suntec Tower Two, 038989, Singapore. The principal business address of PAGGC II-1 (Cayman) Limited, PAG Growth II LP, PAG Growth Capital GP II Limited, PAG Growth Limited, Pacific Alliance Group Limited, and PAG is PO Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

(5) Represents 6,000,000 common shares owned by Venture Holding S.a.r.l. SPF, as reported on Schedule 13G/A filed by Venture Holding S.a.r.l. SPF on November 17, 2025. The percentage of beneficial ownership was calculated based on the total number of our common shares as of January 31, 2026. The principal business address of Venture Holding S.a.r.l. SPF is 31-33 Grand rue, L-1661 Luxembourg.

(6) Represents (i) 1,557,276 shares in the name of D. E. Shaw Valence Portfolios, L.L.C., (ii) 1,020,240 shares that D. E. Shaw Valence Portfolios, L.L.C. has the right to acquire through convertible securities, (iii) 602,600 shares that D. E. Shaw Valence Portfolios, L.L.C. has the right to acquire through the exercise of call options, (iv) 1,085,309 shares in the name of D. E. Shaw Oculus Portfolios, L.L.C., (v) 70,935 shares that D. E. Shaw Cogence Portfolios, L.L.C. has the right to acquire through convertible securities, and (vi) 30,400 shares in the name of D. E. Shaw Composite Portfolios, L.L.C, as reported on Schedule 13G filed by D. E. Shaw & Co., L.P., D. E. Shaw & Co., L.L.C. and David E. Shaw on March 20, 2026. The percentage of beneficial ownership was calculated based on the total number of our common shares as of January 31, 2026. David E. Shaw is (i) the President and sole shareholder of D. E. Shaw & Co., Inc., which is the general partner of D. E. Shaw & Co., L.P., which in turn is the investment adviser of D. E. Shaw Valence Portfolios, L.L.C., D. E. Shaw Oculus Portfolios, L.L.C., D. E. Shaw Cogence Portfolios, L.L.C., and D. E. Shaw Composite Portfolios, L.L.C., and (ii) the President and sole shareholder of D. E. Shaw & Co. II, Inc., which is the managing member of D. E. Shaw & Co., L.L.C., which in turn is the manager of D. E. Shaw Valence Portfolios, L.L.C., D. E. Shaw Oculus Portfolios, L.L.C., D. E. Shaw Cogence Portfolios, L.L.C., and D. E. Shaw Composite Portfolios, L.L.C. D. E. Shaw & Co., L.P. is a limited partnership organized under the laws of the state of Delaware. D. E. Shaw & Co., L.L.C. is a limited liability company organized under the laws of the state of Delaware. The business address for each of D. E. Shaw & Co., L.P., D. E. Shaw & Co., L.L.C. and David E. Shaw is Two Manhattan West 375 Ninth Avenue, 52nd Floor New York, NY 10001.

None of our shareholders have different voting rights from other shareholders as of the date of this annual report on Form 20-F. We are currently not aware that we are directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person severally or jointly and we are currently not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F Disclosure of A Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7 *MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS*

A Major Shareholders

Please refer to "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B Related Party Transactions

Sales and Purchase Contracts with Affiliates

We sold solar modules to Marangatu Holding S.A. and Panati Holding S.A., our 30% owned affiliates in Brazil, in the amounts of $100.9 million and $67.5 million, respectively, in 2023, and $0.2 million and nil, respectively, in 2024. There were no similar transactions in 2025. In 2023, 2024 and 2025, we delivered battery energy storage solutions to RE Crimson Holdings LLC, our 20% owned affiliate in the U.S., totaling $17.2 million, $5.3 million and $13.0 million, respectively. In 2023, 2024 and 2025, we provided asset management services to Canadian Solar Infrastructure Fund, Inc., our 14.9% owned affiliate, totaling $10.0 million, $5.5 million and $5.0 million, respectively, and provided power services totaling $7.0 million, $7.6 million and $8.9 million, respectively.

Employment Agreements

See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Employment Agreements."

Share Incentive Plans

See "Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Share Incentive Plans."

C Interests of Experts and Counsel

Not applicable.

ITEM 8 *FINANCIAL INFORMATION*

A Consolidated Statements and Other Financial Information

We have appended audited consolidated financial statements filed as part of this annual report.

Legal and Administrative Proceedings

U.S. Trade Proceedings

Solar 1 China

On October 17, 2012, the U.S. Department of Commerce, or the USDOC, issued final affirmative determinations with respect to its antidumping and countervailing duty investigations on crystalline silicon photovoltaic, or CSPV, cells, whether or not incorporated into modules, from China. On November 30, 2012, the U.S. International Trade Commission, or the USITC, determined that imports of CSPV cells had caused material injury to the U.S. CSPV industry. The USITC's determination was subsequently affirmed by the U.S. Court of International Trade, or CIT, and the U.S. Court of Appeals for the Federal Circuit, or Federal Circuit. As a result of these determinations, we were required to pay cash deposits on Chinese-origin CSPV cells imported into the U.S., whether or not incorporated into modules. The rates applicable to us were 24.48% (antidumping duty) and 15.24% (countervailing duty). We paid all the cash deposits due under these determinations. The rates at which duties are assessed and payable are subject to administrative reviews. The first through tenth administrative reviews have been completed and the decisions are final, with the exception of the sixth antidumping duty administrative review, which is on appeal at the Federal Circuit.

The eleventh antidumping duty and countervailing duty administrative reviews were initiated in February 2024. The USDOC published the final results of the eleventh antidumping duty administrative review on December 23, 2025. The USDOC determined that the Canadian Solar entities subject to the eleventh antidumping duty administrative review had no shipments during the period of review and, therefore, our antidumping duty rate (0.00%) will remain unchanged for our Solar 1 CSPV products. The USDOC issued the final results of the eleventh countervailing duty administrative review in January 2026. The USDOC determined that the Canadian Solar entities subject to the eleventh countervailing duty administrative review had no shipments during the period of review and therefore, the USDOC is rescinding the review with respect to Canadian Solar. Accordingly, our countervailing duty rate, is expected to remain the same at 15.87%.

The twelfth antidumping duty and countervailing duty administrative reviews were initiated in January 2025 and are currently underway. The USDOC recently selected Canadian Solar International Limited as a mandatory respondent in the antidumping duty administrative review. Preliminary results are scheduled to be issued on June 1, 2026.

In December 2025, USDOC provided interested parties, including Canadian Solar, the opportunity to request reviews as part of the thirteenth antidumping duty and countervailing duty administrative reviews. USDOC initiated these reviews on February 20, 2026.

In February 2024, the USDOC and USITC initiated the second five-year sunset reviews of the Solar 1 antidumping and countervailing duty orders. Those sunset reviews were concluded by the USDOC and the ITC in June and September 2024, respectively, with both agencies finding that the orders should be maintained for another five years.

Solar 2 China

On December 31, 2013, Solar World Industries America, Inc. filed another trade action with the USDOC and the USITC accusing Chinese producers of certain CSPV modules of dumping their products into the U.S. and of receiving countervailable subsidies from the Chinese authorities. This trade action also alleged that Taiwanese producers of certain CSPV cells and modules dumped their products into the U.S. Excluded from these new actions were those Chinese-origin solar products covered by the Solar 1 orders described above. We were identified as one of a number of Chinese producers exporting the Solar 2 subject goods to the U.S. market. "Chinese CSPV products subject to Solar 2 orders" refers to CSPV products manufactured in Chinese mainland using non-Chinese (e.g., Taiwanese) CSPV cells and imported into the U.S. during the investigation or administrative review periods of Solar 2. "Taiwanese CSPV products subject to Solar 2 orders" refer to CSPV products manufactured outside of Chinese mainland using Taiwanese CSPV cells and imported into the U.S. during the investigation or review periods of Solar 2. On December 23, 2014, the USDOC issued final affirmative determinations with respect to its antidumping and countervailing duty investigation on these CSPV products. On January 21, 2015, the USITC determined that imports of these CSPV products had caused material injury to the U.S. CSPV industry. As a result of these determinations, we are required to pay cash deposits on these CSPV products, the rates of which applicable to our Chinese CSPV products were 30.06% (antidumping duty) and 38.43% (countervailing duty). The antidumping cash deposit rate applicable to our Taiwanese CSPV products subject to Solar 2 orders varied by solar cell producer. We paid all the cash deposits due under these determinations. There is no countervailing duty order on Taiwan Solar 2 products. The rates at which duties will be assessed and payable are subject to administrative reviews. The first through nineth administrative reviews have been completed. The USDOC initiated the tenth administrative review of the Solar 2 China antidumping duty order in March 2025 with respect to certain of the Canadian Solar entities. The USDOC rescinded the tenth administrative review of the Solar 2 China antidumping duty order in December 2025. Therefore, our antidumping duty rates will remain unchanged for our Solar 2 China CSPV products. The USDOC did not initiate the tenth administrative review of the Solar 2 China countervailing duty order because no parties requested reviews. Therefore, our countervailing duty rates (33.58%) will remain unchanged for our Solar2 China CSPV products. The USDOC initiated the tenth administrative review of the Solar 2 Taiwan antidumping duty order in March 2025, however, the review was not initiated with respect to Canadian Solar and therefore, our antidumping duty rates will remain unchanged for our Taiwanese CSPV products. In August 2025, the USDOC and USITC initiated the second five-year sunset reviews of the Solar 2 antidumping and countervailing duty orders, and the reviews are currently underway.

Solar 1 Circumvention Investigations on CSPV products from Southeast Asia

On August 17, 2023, the USDOC issued affirmative final determinations of circumvention with respect to CSPV products from Cambodia, Thailand, Malaysia, and Vietnam. The USDOC also made company-specific affirmative determinations with respect to several companies, including CSIL. The Group defended its interests in these proceedings.

USDOC's regulations typically impose antidumping duty and countervailing duty liability from the date of initiation (here, April 1, 2022). In this instance, however, the USDOC published a final rule that delayed liability for CSIL's exports from Thailand (and also Vietnam) in these solar circumvention proceedings, or the Solar Moratorium, in order to implement Proclamation 10414 issued by the President Biden on June 6, 2022, which suspended antidumping and countervailing duty requirements on eligible product imports through June 6, 2024. To qualify for the Solar Moratorium, imports had to enter the U.S. by June 6, 2024, and be utilized in solar energy projects by December 3, 2024. The USDOC also implemented a certification mechanism for exporters and importers to demonstrate that merchandise was not subject to circumvention requirements in light of (i) the Solar Moratorium, or (ii) limited reliance on Chinese-origin components (including wafers) (i.e., non-circumventing material).

In October 2023, Canadian Solar appealed the USDOC's circumvention final determination with respect to Thailand to the CIT. In May 2025, the CIT sustained the USDOC's Thailand circumvention final determination. We appealed the CIT decision to the Federal Circuit in July 2025. The Group is defending its interests in this ongoing appeal.

In addition, in December 2023, Auxin Solar, Inc. and Concept Clean Energy, Inc. challenged the USDOC's Solar Moratorium to the CIT. In August 2025, the CIT overturned and vacated the USDOC's Solar Moratorium. This decision by the CIT was appealed to the Federal Circuit in September 2025, and we are currently participating in the appeal at the Federal Circuit. The CIT's decision and vacatur of USDOC's Solar Moratorium is stayed pending the final and conclusive resolution of the Federal Circuit appeal.

Solar 3 Southeast Asia

On April 24, 2024, the American Alliance for Solar Manufacturing Trade Committee, or the Committee, filed petitions for antidumping and countervailing duty orders on CSPV cells and modules imported from Cambodia, Malaysia, Thailand, and Vietnam. Certain Canadian Solar entities entered an appearance in these proceedings before the USDOC and USITC. On May 15, 2024, the USDOC initiated the Solar 3 antidumping duty, or AD, and countervailing duty, or CVD, investigations with respect to all four countries, and the USITC preliminarily voted to continue its investigations on June 7, 2024. The USDOC rendered final affirmative determinations with respect to all four countries on April 18, 2025. In the Solar 3 Thailand investigations, the final countervailing duty rate (all others) applicable to Canadian Solar is 255.39%, and the final antidumping duty rate (all others) applicable to Canadian Solar is 111.45%. In the Solar 3 Vietnam AD/CVD investigations, the final countervailing duty rate (all others) applicable to Canadian Solar is 124.57%, and the final antidumping duty rate (all others) applicable to Canadian Solar is 271.28%. In June 2025, the USITC made an affirmative determination as to the threat of material injury by imports from Thailand, inclusive of a negative determination as to "critical circumstances." This resulted in refunds issued by U.S. Customs for all AD/CVD cash deposits made by Canadian Solar as a result of the preliminary affirmative determinations through the date of the final determination. The USDOC's and USITC's final determinations in the Solar 3 AD/CVD investigations were appealed to the CIT in July 2025. The Group is defending its interests in these ongoing appeals.

Solar 4 India, Indonesia, and Laos

On July 17, 2025, the Alliance for American Solar Manufacturing and Trade filed petitions for antidumping and countervailing duty orders on CSPV cells and modules imported from India, Indonesia, and Laos. Certain Canadian Solar entities entered an appearance in these proceedings before the USDOC and USITC. On August 12, 2025, the USDOC initiated the Solar 4 AD/CVD investigations with respect to all three countries, and the USITC preliminarily voted to continue its investigations on September 5, 2025. On February 26, 2026, the USDOC made affirmative preliminary countervailing duty determinations with respect to India, Indonesia, and Laos, including affirmative "critical circumstances" determinations with respect to India and Indonesia. The USDOC's AD preliminary determinations are expected in April 2026. The USDOC's final AD/CVD determinations and the USITC's material injury determinations are expected in late-2026. The Group is defending its interests in these proceedings.

Section 201 Safeguard

On May 17, 2017, following receipt of a petition from Suniva, Inc., which was later joined by Solar World Americas, Inc., the USITC instituted a safeguard investigation to determine whether there were increased imports of CSPV products in such quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing like or directly competitive products. On September 22, 2017, the USITC determined that CSPV products are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry.

On January 23, 2018, the U.S. government imposed a safeguard measure on imports of CSPV cells, whether or not partially or fully assembled into other products such as modules, consisting of (1) a tariff-rate quota for four years on imports of CSPV cells not partially or fully assembled into other products, with (a) an in-quota quantity of 2.5 gigawatts, and (b) a tariff rate applicable to over-quota CSPV cells of 30%, declining annually by five percentage points to 25% in the second year, 20% in the third year, and 15% in the fourth year; and (2) a 30% tariff for four years on CSPV modules, declining annually by five percentage points to 25% in the second year, 20% in the third year, and 15% in the fourth year. This safeguard measure, which became effective on February 7, 2018, applies to CSPV products imported from all countries, except for certain developing country members of the World Trade Organization.

The safeguard measure was extended by the U.S. government in February 2022, with its terms subsequently adjusted on several occasions. The safeguard measure terminated on February 6, 2026.

On November 16, 2021, the CIT held in Solar Energy Industries Association et al. v. United States, or the SEIA that the U.S. government acted outside of its statutory authority in issuing Proclamation 10101 and enjoined the Government from enforcing that proclamation. This judgment had the effect of reinstating the exclusion of bifacial modules from the safeguard tariffs and lowering the fourth year safeguard tariff to 15% ad valorem. On January 14, 2022, the Government filed a notice of appeal of SEIA to the Federal Circuit. In November 2023, the Federal Circuit reversed and remanded the CIT's judgment, finding that the U.S. government had acted lawfully in issuing Proclamation 10101. The Federal Circuit denied the Appellees' petition for en banc rehearing in August 2024, and the SEIA appeal became final in May 2025. In October 2022, Canadian Solar filed an appeal at the CIT challenging U.S. Customs and Border Protection's erroneous collection of certain Section 201 safeguard duties on bifacial panels pursuant to Proclamation 10101. Canadian Solar dismissed its appeal in June 2025, following the Federal Circuit's decision in SEIA.

Section 232 Investigation into U.S. Imports of Polysilicon and its Derivative Products

On July 1, 2025, the Secretary of Commerce initiated an investigation to determine the effects on the national security of U.S. imports of polysilicon and its derivative products, including wafers, solar cells, and solar modules. The USDOC's Section 232 investigation could lead to the President's imposition of tariffs and/or other measures with respect to imports of these products. Canadian Solar timely submitted comments to USDOC and is otherwise defending its interests in the proceeding.

U.S. Antidumping and Countervailing Duty Investigation into U.S. Imports of Active Anode Material, or AAM, from China

On January 8, 2025, the USDOC initiated antidumping duty and countervailing duty investigations of AAM imported from China. AAM is contained in certain batteries and downstream energy storage products exported by Canadian Solar. On February 11, 2026, USDOC determined that AAM contained in downstream battery products will not be covered by the scope of potential antidumping and countervailing duties. On March 12, 2026, the USITC made a negative finding of material retardation, and thus, the USDOC will not enter an AD/CVD order on imports of this product from China.

Other Broad-Based Tariff Measures under IEEPA, Section 122, and Section 301

In 2025, the U.S. government imposed broad-based tariffs under the International Economic Emergency Powers Act ("IEEPA") on nearly all U.S. imports at various country-specific tariff rates. On February 20, 2026, the U.S. Supreme Court found these tariffs unlawful, and the USCIT subsequently ordered refunds for all such tariffs paid under IEEPA. Canadian Solar filed suit in the USCIT to preserve its rights to refunds for such tariffs. This litigation and that concerning the extent of available refunds for IEEPA tariffs remains ongoing.

In February 2026, the U.S. government imposed Section 122 tariffs on nearly all U.S. imports at 10% for 150 days. These tariffs remain in effect and are currently expected to expire in July 2026.

In March 2026, the U.S. government announced new Section 301 investigations on U.S. imports from various countries, including China and Thailand. Announcements with respect to these investigations are expected to be issued concurrently with the expiry of the temporary Section 122 tariff measures later in 2026.

Patent Disputes

On March 25, 2024, Maxeon Solar Pte. Ltd., or Maxeon, filed a patent infringement lawsuit against Canadian Solar Inc. in the U.S. District Court for the Eastern District of Texas, or Texas Litigation. Maxeon alleges that by manufacturing, importing, selling, or offering for sale of its TOPCon (Tunnel Oxide Passivated Contact) solar modules in the United States, Canadian Solar Inc., via its affiliates, has directly and indirectly infringed and continues to infringe upon three patents currently held by Maxeon. The three patents asserted by Maxeon are U.S. Patent Nos. 8222516, 8878053, and 11251315. Maxeon's complaint requests the Court to grant, among other relief, a permanent injunction enjoining Canadian Solar Inc. from the alleged infringement, and a judgment for monetary damages and fees. The specific amount of monetary damages has not been identified. Based on our assessment, we believe that our TOPCon solar modules do not infringe Maxeon's asserted patents and are vigorously defending ourselves in the lawsuit. In response to the lawsuit, in June 2024, Canadian Solar Inc. filed petitions for Inter-Partes Review, or IPR, before the U.S. Patent and Trademark Office, or USPTO, challenging the patentability of the three asserted patents. The USPTO instituted review against all three patents on January 14, 2025. On May 28, 2025, Maxeon withdrew its infringement claim for U.S. Patent No. 11251315 in the Texas Litigation, and this claim was dismissed with prejudice. The District Court Judge also stayed the Texas Litigation on July 1, 2025 pending the resolution of the IPRs. On January 12, 2026, the Patent Trial and Appeal Board ("PTAB") issued Final Written Decisions in Canadian Solar's IPR and invalidated all claims in the two remaining patents ('516 and '053) in the Maxeon Texas Litigation except for Claim 12 of the '516 patent. However, Claim 12 of the '516 patent was not asserted in the Texas Litigation. Canadian Solar Inc. will move for the Texas Litigation to be dismissed entirely. Maxeon has asked the court to lift the stay so it can amend its complaint to add Claim 12 of the '516 patent. No decision has been made. Maxeon has appealed the IPR decision for the '516 patent (claims 1-11), but it did not appeal the IPR invalidity decision for the '053 patent.

On February 10, 2025, CSI Solar was notified of two lawsuits filed against it by Trina at the Jiangsu Province High Court, alleging infringement of two patents and seeking approximately RMB 1.1 billion ($153.0 million) in damages. The patents in question are Patent No. ZL201710975923.2, titled "Solar Cell Module," or Patent 1, and Patent No. ZL201510892086.8, titled "Solar Cell and Its Manufacturing Method," or Patent 2. Based on our assessment, we do not believe our proprietary technology infringes on the patents asserted by Trina and we are vigorously defending ourselves in these proceedings. In October 2024, Trina also filed a patent lawsuit against Canadian Solar Inc.'s US subsidiaries in the U.S. District Court for the District of Delaware, or Trina Delaware Litigation, and against Canadian Solar Inc., CSI Solar Co., Ltd., and its US subsidiaries in the U.S. International Trade Commission, or ITC, concerning the U.S. counterparts of Patent 2. On December 6, 2024, the Delaware District Judge stayed the Trina Delaware Litigation. On April 3, 2025, the ITC investigation against all Canadian Solar related entities was terminated upon motion by Trina and granted by the Administrative Law Judge, which was affirmed on April 21, 2025. On April 28, 2025, Canadian Solar (USA) Inc. filed petitions for IPR before the USPTO challenging the patentability of the U.S. counterparts of Patent 2 that were "copy-cat" IPRs filed by Runergy Alabama Inc. and Runergy USA ("Runergy"), and which had been granted on April 21, 2025. On October 29, 2025, the USPTO granted review of Canadian Solar (USA) Inc.'s IPR and Canadian Solar (USA) Inc.'s motion to join Runergy's IPR. Oral arguments on the joint IPRs were held on January 29, 2026. The Delaware Litigation continues to be stayed pending the resolution of the IPR. In addition, Canadian Solar Manufacturing (Changshu) Inc., a subsidiary of CSI Solar, initiated patent invalidation proceedings before China's National Patent Office, challenging Patent 1 in August 2024 and Patent 2 in November 2024.

On May 9, 2025, First Solar, Inc. filed a patent infringement lawsuit against Canadian Solar Inc., CSI Solar, and various other Canadian Solar-related manufacturing entities ("Canadian Solar") in the U.S. District Court for the District of Delaware, or First Solar Delaware Litigation. First Solar alleges that Canadian Solar makes TOPCon solar cells overseas using methods covered by U.S. Patent No. 9130074 and infringes the patent by importing these TOPCon solar cells and modules into the U.S. and selling them in the U.S. First Solar's complaint requests the Court to grant, among other relief, a permanent injunction enjoining Canadian Solar from the alleged infringement and a judgment for monetary damages and fees. The specific amount of monetary damages has not been identified. Based on our assessment, we do not believe our proprietary technology infringes on the patent asserted by First Solar, and we are vigorously defending ourselves in the lawsuit. On August 28, 2025, Canadian Solar filed a petition for IPR before the USPTO challenging the patentability of the U.S. Patent No. 9130074. On December 18, 2025, the USPTO summarily denied institution of the IPR based on discretionary considerations without a written order and without deciding validity on the merits of the IPR. On October 2, 2025, the Delaware District Judge set a case schedule and trial to be held starting on March 27, 2028. Discovery is currently ongoing in the First Solar Delaware Litigation. On February 24, 2026, First Solar filed a Complaint with the USITC against the Company and nine other manufacturers of modules incorporating TOPCon technology. First Solar seeks a general exclusion order, limited exclusion order, and a cease-and-desist order. The USITC has instituted the case. We will vigorously defend against the claims. A final resolution is not expected until the second half of 2027.

From time to time, we face patent infringement claims and other disputes, which are inherently uncertain. Although we have been able to resolve such claims and disputes in the past without leaving a material adverse effect on our financial position, we cannot guarantee that any ongoing or potential disputes, if resolved unfavorably to us, will not have a material adverse effect on our business and results of operations. See also "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Our inability to protect our intellectual property rights or defend against patent infringement or other intellectual property claims, could undermine our competitive position, adversely affect our business and impose significant costs."

Dividend Policy

We have never declared or paid any dividends on our common shares, and have no present plans to declare or pay any dividends on our common shares in the foreseeable future. We currently intend to retain our available funds and any future earnings to operate and expand our business.

Our board of directors has complete discretion over whether to declare and pay dividends, subject to the requirements of the OBCA. Even if our board of directors decides to declare dividends, the form, frequency and the amount will depend upon our future operations, earnings, capital requirements, available surplus, overall financial condition, contractual restrictions, and any other factors that our board of directors deems relevant.

We are a holding company incorporated under the laws of the Province of Ontario, Canada, and we rely primarily on dividends and other income from our majority-owned operating subsidiaries, CS PowerTech, CSI Solar and Recurrent Energy, to meet our cash, investment and financing requirements. CSI Solar is required to comply with applicable PRC regulations when paying dividends to us. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China."

B Significant Changes

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9 *THE OFFER AND LISTING*

A Offering and Listing Details

Not applicable.

B Plan of Distribution

Not applicable.

C Markets

Our common shares have been listed on the Nasdaq since November 9, 2006 under the symbol "CSIQ."

D Selling Shareholders

Not applicable.

E Dilution

Not applicable.

F Expenses of the Issue

Not applicable.

ITEM 10 *ADDITIONAL INFORMATION*

A Share Capital

Not applicable.

B Articles

General

On July 29, 2022, Canadian Solar Inc. filed articles of continuance to change our jurisdiction from the provincial jurisdiction of the Province of British Columbia to the provincial jurisdiction of the Province of Ontario. As a result, Canadian Solar Inc. is governed by the OBCA, and its affairs are governed by its articles and by-laws. Canadian Solar Inc.'s Ontario corporation number is 1497760.

Our authorized share capital consists of an unlimited number of common shares, no par value, and an unlimited number of preferred shares, no par value, issuable in series.

The following are summaries of certain of the material provisions of Canadian Solar Inc.'s articles and by-laws and the OBCA. This summary is not intended to be complete and is qualified in its entirety by reference to Canadian Solar Inc.'s articles, by-laws and the OBCA. The information set forth in Exhibit 2.2 to this Annual Report on Form 20-F is incorporated herein by reference.

Objects and Purposes of Our Company

Canadian Solar Inc.'s articles and by-laws do not contain any stated objects or purposes and do not place any limitations on the business that we may carry on. Pursuant to the OBCA, Canadian Solar Inc. has the capacity and the rights, powers and privileges of a natural person, and the capacity to carry on its business, conduct its affairs and exercise its powers in any jurisdiction outside Ontario to the extent that the laws of such jurisdiction permit.

Voting on Proposals, Arrangements, Contracts or Compensation by Directors

Other than as disclosed in "Item 6. Directors, Senior Management and Employees—C. Board Practices—Interested Transactions", neither the OBCA nor our articles or by-laws restrict a director's power to (a) vote on a proposal, arrangement or contract in which the director is materially interested or (b) to vote compensation to themselves or any other members of their body in accordance with the OBCA.

Borrowing Powers of Directors

Pursuant to the OBCA, Canadian Solar Inc.'s articles are deemed to state that our directors may, without authorization of the shareholders, (a) borrow money upon the credit of the corporation; (b) issue, reissue, sell or pledge debt obligations of the corporation; (c) give a guarantee on behalf of the corporation to secure performance of an obligation of any person; and (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any obligation of the corporation.

Qualifications of Directors

Canadian Solar Inc.'s articles and by-laws do not contain any requirements for qualifications of directors.

Pursuant to the OBCA, the following persons are disqualified from being a director of Canadian Solar Inc.:

- A person who is less than eighteen years of age.
- A person who has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere.

- A person who is not an individual.
- A person who has the status of bankrupt.

Pursuant to the OBCA, a director of Canadian Solar Inc. ceases to be a director when:

- the term of office of the director expires, provided that a director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his or her election;
- the director dies;
- the director resigns as a director by notice in writing provided to us;
- the director is removed from office by an ordinary resolution of our shareholders; or
- the director becomes disqualified pursuant to the above criteria.

Common Share Rights

General

All of our common shares are fully paid and non-assessable. Our common shares are issued in registered form and may or may not be certificated although every shareholder is entitled at their option to a share certificate that complies with the OBCA. Except as provided in the *Investment Canada Act* (Canada), there are no limitations on the rights of shareholders who are not residents of Canada to hold and vote common shares.

Dividends

Subject to the prior rights of the holders of the issued preferred shares, if any, the holders of the common shares are entitled to receive dividends declared by our board of directors. Pursuant to the OBCA, the board of directors shall not declare and Canadian Solar Inc. shall not pay a dividend if there are reasonable grounds for believing that (a) Canadian Solar Inc. is, or after the payment, would be unable to pay its liabilities as they become due; or (b) the realizable value of Canadian Solar Inc.'s assets would thereby be less than the aggregate of its liabilities, and its stated capital of all classes. All holders of common shares will share equally on a per share basis in any dividend declared by the board of directors on the common shares. The dividend entitlement time limit will be fixed by the board of directors at the time any such dividend is declared.

Voting Rights

The holders of common shares are entitled to receive notice of and to attend and vote at all meetings of our shareholders and each common share confers the right to one vote in person or by proxy at all meetings of our shareholders, except meetings at which the holders of the issued preferred shares, if any, are entitled to vote separately as a class or series. All directors stand for re-election annually.

Liquidation

Subject to the prior rights of the holders of the issued preferred shares, if any, the holders of the common shares are entitled to receive the remaining property of Canadian Solar Inc. in the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, or in the event of any other distribution of the property or assets of Canadian Solar Inc. among the shareholders for the purpose of winding up our affairs, whether voluntary or involuntary.

Other

The common shares are not convertible or redeemable and have no preemptive, subscription or conversion rights. In the event of a merger or consolidation, all common shareholders will be entitled to receive the same per share consideration. There are no provisions in our articles discriminating against any existing or prospective shareholder as a result of such shareholder owning a substantial number of our common shares. Our common shares are not subject to liability for further capital calls by our Company. Also, no provisions or rights exist in our articles regarding our common shares in connection with exchange, redemption, retraction, purchase for cancellation, surrender or sinking or purchase funds.

Preferred Share Rights

General

The preferred shares may include one or more series and, subject to the OBCA, our board of directors may issue one or more series of preferred shares at any time and from time to time. Before it issues any series of preferred shares, our board of directors shall fix the number of preferred shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of, such series, including without limitation:

(a) the issue price per share, which may be expressed in a foreign currency, provided that the issue price per share shall not be less than C$1.00 (or its equivalent in a foreign currency at the date of issue) or more than C$100.00 (or its equivalent in a foreign currency at the date of issue);

(b) the rate, amount or method of calculation of dividends, including whether such rate, amount or method shall be subject to change or adjustment in the future;

(c) the method of payment of dividends, including whether such dividends shall be cumulative, non-cumulative, partially cumulative, deferred or payable on some other basis;

(d) the date or dates, manner and currency or currencies of payment of dividends;

(e) the restrictions, if any, on the payments of dividends on any Junior Shares (defined below);

(f) the rights and obligations, if any, that we have to redeem or purchase the shares, including the prices and other terms of redemption or purchase;

(g) the terms of any share purchase plan or sinking or similar fund providing for the purchase or redemption of the shares;

(h) the rights, if any, of the holders of the shares to retract the shares, including the prices and other terms of retraction;

(i) the rights, if any, of the holders of the shares or of us to convert or exchange the shares for other securities of ours or any other entity and the rates and other terms of conversion or exchange;

(j) the voting rights, if any, attached to the shares; and

(k) the preferences, if any, of the shares over any Junior Shares with respect to the distribution of our assets in the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, or in the event of any other distribution of our property or assets among our shareholders for the purpose of winding up its affairs, whether voluntary or involuntary.

"Junior Shares" means the common shares and any other of our shares ranking junior to the preferred shares with respect to the payment of dividends and with respect to the distribution of assets in the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, or in the event of any other distribution of our property or assets among our shareholders for the purpose of winding up its affairs, whether voluntary or involuntary.

Voting Rights

Except where the rights, privileges, restrictions and conditions attaching to a series of our preferred shares otherwise provide, the holders of our preferred shares shall not be entitled as such to receive notice of, or to attend or vote at, a meeting of our shareholders. Except where the rights, privileges, restrictions and conditions attaching to a series of our preferred shares otherwise provide, on any poll taken at any meeting of the holders of preferred shares, whether as a class or a series or two or more series, each holder of preferred shares entitled to vote at the meeting shall have one one-hundredth of a vote in respect of each C$1.00 (or its equivalent in a foreign currency at the date of issuance) of the issue price for each preferred share held. Except where the rights, privileges, restrictions and conditions attaching to a series of our preferred shares otherwise provide, the formalities to be observed with respect to the giving of notice of, and voting at, any meeting of holders of preferred shares, including without limitation, the quorum therefor, shall be those from time to time prescribed by our by-laws or by standing resolutions of our board of directors with respect to meetings of shareholders.

Creation of Additional Classes and Other Matters

Subject to the rights, privileges, restrictions and conditions attaching to a series of our preferred shares, we may, without the approval or consent of the holders of the preferred shares voting separately as a class or series, at any time and from time to time:

(a) create one or more other classes of shares ranking on a parity with the preferred shares with respect to the payment of dividends or the distribution of assets in the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, or in the event of any other distribution of our property or assets among our shareholders for the purpose of winding up our affairs, whether voluntary or involuntary;

(b) if all dividends on each outstanding series of preferred shares accrued to the most recently preceding date for the payment of dividends on such series shall have been declared and paid or set apart for payment, create one or more other classes of shares ranking superior to the preferred shares with respect to the payment of dividends or the distribution of assets in the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, or in the event of any other distribution of our property or assets among our shareholders for the purpose of winding up our affairs, whether voluntary or involuntary;

(c) increase any maximum number of authorized shares of any other class of shares; and

(d) effect an exchange, reclassification or cancellation of all or part of the preferred shares.

Liquidation

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or in the event of any other distribution of our property or assets among our shareholders for the purpose of winding up our affairs, whether voluntary or involuntary, before any amount shall be paid to, or any property distributed among, the holders of our common shares, the holders of our preferred shares shall be entitled to receive:

(a) the amount paid up on such shares or such other amount or amounts as have been provided for with respect to such shares;

(b) the premium, if any, provided for with respect to such shares;

(c) in the case of shares entitled to cumulative dividends, any unpaid cumulative dividends on such shares; and

(d) in the case of shares entitled to non-cumulative dividends, any declared but unpaid non-cumulative dividends on such shares.

After payment of the amounts payable to them, the holders of our preferred shares shall not be entitled to share in any further distribution of our property and assets.

No Pre-Emptive Rights

The holders of our preferred shares shall not be entitled as such to subscribe for, purchase or receive any part of any issue of our securities, now or hereafter authorized, or any rights to acquire the same, otherwise than in accordance with any conversion, exchange or other rights which may from time to time be attached to any series of preferred shares.

Procedures to Change the Rights of Shareholders

Other than as disclosed in "Item 10. Additional Information—B. Articles—Preferred Share Rights", Canadian Solar Inc.'s articles and by-laws do not provide for us to be able to change the rights of Canadian Solar Inc.'s shareholders.

The OBCA provides for certain avenues for the rights of Canadian Solar Inc.'s shareholders to be changed including:

- The directors may, by resolution, make, amend or repeal any by-laws that regulate our business or affairs, which may change the rights of our shareholders. Where the directors make, amend or repeal a by-law, they are required to submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution, confirm, reject or amend the by-law, amendment or repeal. However the by-law, amendment or repeal is effective from the date of the resolution of the directors until it is confirmed, confirmed as amended or rejected by the shareholders or until the date of the meeting of shareholders at which it should have been submitted if it is not so submitted.

- Subject to the OBCA, we may from time to time if authorized by a special resolution of our shareholders (i.e., a resolution that is submitted to a special meeting of the shareholders duly called for the purpose of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast), amend Canadian Solar Inc.'s articles to add, change or remove any provision that is permitted by the OBCA to be, or that is, set out in its articles, including without limiting the generality of the foregoing, to:

    - change our name;

    - add, change or remove any restriction upon the business or businesses that we may carry on or upon the powers that we may exercise;

    - add, change or remove any maximum number of shares that we are authorized to issue or any maximum consideration for which any of our shares are authorized to be issued;

    - create new classes of shares;

    - change the designation of all or any of its shares, and add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued;

    - change the shares of any class or series, whether issued or unissued, into a different number of shares of the same class or series or into the same or a different number of shares of other classes or series;

    - divide a class of shares, whether issued or unissued, into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof;

    - authorize the directors to divide any class of unissued shares into series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof, or to revoke, diminish or enlarge any such authority;

    - authorize the directors to change the rights, privileges, restrictions and conditions attached to unissued shares of any series, or to revoke, diminish or enlarge any such authority;

    - subject to certain constraints, increase or decrease the number, or minimum or maximum number, of directors; and

    - add, change or remove restrictions on the issue, transfer or ownership of shares of any class or series.

- Where the directors are authorized by the articles to divide any class of unissued shares into series and determine the designation, rights, privileges, restrictions and conditions thereof, they may by resolution authorize the amendment of the articles to so provide.

Shareholder Meetings

Each director holds office until our next annual general meeting or until his or her office is earlier vacated in accordance with the provisions of the OBCA. A director appointed or elected to fill a vacancy on our board also holds office until our next annual general meeting.

Pursuant to the OBCA, we must hold an annual meeting of our shareholders at a time and place determined by our board of directors, provided that the meeting must not be held later than 15 months after the preceding annual meeting. Our directors may, whenever they think fit, call a special meeting of our shareholders. A meeting of our shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the OBCA to be present at the meeting.

For the purpose of determining shareholders entitled to receive notice of a meeting of shareholders, the directors may fix in advance a date as the record date for such determination of shareholders, but the record date shall not precede by more than 60 days or by less than 30 days the date on which the meeting is to be held. Where no record date is fixed, the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders shall be at the close of business on the day immediately preceding the day on which the notice is given, or if no notice is given, the day on which the meeting is held.

We must send notice of the date, time and location of any meeting of shareholders, in the manner provided in our by-laws and the OBCA, to each shareholder entitled to vote at the meeting and to each director and to our auditor not less than twenty-one days and not more than sixty days before the meeting. A notice of a meeting is not required to be sent to shareholders who were not registered on the records of our transfer agent on the record date, but failure to receive a notice does not deprive a shareholder of the right to vote at the meeting.

All business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor, shall be deemed to be special business. Notice of a meeting of shareholders at which special business is to be transacted shall state or be accompanied by a statement of the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and the text of any special resolution or by-law to be submitted to the meeting.

Unless otherwise required by the OBCA or the articles and by-laws of Canadian Solar Inc., (a) all questions proposed for the consideration of the shareholders shall be determined by the majority of the votes cast; (b) the chairman presiding at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting from time to time and from place to place subject to certain limits set out in the OBCA; and (c) the chairman or, in his absence, the present or, in their absence, a director designated by our board of directors shall act as chairman of each meeting of shareholders, but if no such officer is present within thirty minutes after the time appointed by the holding of the meeting, the persons present and entitled to vote at the meeting shall choose one of their number to be chairman of the meeting.

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, our auditors and others who, although not entitled to vote, are entitled or required under any provision of the OBCA or the by-laws to be present at the meeting. Other persons may attend a meeting of shareholders only with the consent of the chairman of the meeting or the shareholders present, or deemed to be present, in person or by proxy at the meeting. Subject to the OBCA, any person entitled to attend a meeting of shareholders may participate in the meeting by means of a telephonic, electronic or other communication facility made available by us that permits all participants to communicate adequately with each other during the meeting. The persons participating in a meeting of shareholders by such means shall be deemed for the purposes of our by-laws to be present at the meeting. If our board of directors or shareholders call a meeting of shareholders pursuant to the OBCA, our board of directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the OBCA, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

A registered holder of shares entitled to vote or a beneficial owner of shares that are entitled to be voted at a meeting of shareholders may, submit to us notice of a proposal; and discuss at the meeting any matter in respect of which the registered holder or beneficial owner would have been entitled to submit a proposal. Subject to certain exceptions set out in the OBCA, where we receive notice of a proposal, (a) if we provide a management information circular, it shall set out the proposal in the management information circular or attach the proposal to that circular; (b) if we do not provide a management information circular, it shall set out the proposal in the notice of meeting for the shareholders' meeting at which the matter is proposed to be raised or shall attach the proposal to such notice of meeting; and (c) at the request of a person who submits notice of a proposal, we are required to include in the management information circular or the notice of meeting, as the case may be, or shall attach to it, the person's statement in support of the proposal and the person's name and address. The exceptions include if the notice of the proposal is not submitted to us within certain time restrictions set out in the OBCA, if it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against us or our directors, officers or security holders, and if it clearly appears that the proposal does not relate in a significant way to our business or affairs. The proposal and the statement in support of it shall together not exceed 500 words. A proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than five percent of the issued shares or five percent of the issued shares of a class or series of shares entitled to vote at the meeting to which the proposal is to be presented. This description of the provisions of the OBCA relating to shareholder proposals does not purport to be complete. For complete details, refer to the OBCA.

We are required to prepare a list of shareholders entitled to receive notice of a meeting, arranged in alphabetical order and showing the number of shares held by each shareholder, which list shall be prepared, if a record date is fixed, not later than ten days after such record date, or if no record date is fixed, at the close of business on the day immediately preceding the day on which notice is given, or where no notice is given, on the day on which the meeting is held. A shareholder whose name appears on such list is entitled to vote the shares shown opposite the shareholder's name at the meeting to which the list relates. A shareholder may examine the list of shareholders during usual business hours at our registered office or at the place where our central securities register is maintained, and at the meeting of shareholders for which the list was prepared.

A quorum for the transaction of business at any meeting of shareholders shall be two or more shareholders present, or deemed to be present, in person or by proxy at the meeting and together holding or representing by proxy shares carrying at least 33 1/3 percent of the votes entitled to be cast at the meeting. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may, unless the by-laws otherwise provide, proceed with the business of the meeting even if a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders, or within such reasonable time thereafter as the shareholders present may determine, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

Each of our common shares entitles the holder thereof to one vote at a meeting of shareholders. Where a body corporate or association is a shareholder, we will recognize any individual authorized by a resolution of the directors or governing body of the body corporate or association to represent it at meetings of our shareholders. Unless the by-laws otherwise provide, where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present, in person or by proxy, they shall vote as one on the shares jointly held by them.

At a meeting of shareholders, every motion shall, subject to the provisions of the OBCA, be decided by a show of hands, unless a ballot thereon is required by the chairman of the meeting or is demanded by any shareholder entitled to vote and present, or deemed to be present, in person or by proxy at the meeting. Upon a show of hands, every such person who is entitled to vote shall have one vote. Before or after a show of hands has been taken upon any motion, the chairman may require, or any shareholder entitled to vote and present, or deemed to be present, in person or by proxy at the meeting may demand a ballot thereon. Notwithstanding the foregoing, the vote on any motion may be held, subject to compliance with the OBCA, by means of a telephonic, electronic or other communication facility made available by us for such purpose. Unless a ballot thereon is demanded, a declaration by the chairman of the meeting that the vote upon a motion has been carried or carried by a particular majority or not carried shall be the decision of the shareholders upon the motion and an entry in the minutes of the meeting to the effect that the chairman of the meeting declared the motion to be carried or defeated is, in the absence of evidence to the contrary, proof of that fact without proof of the number or proportion of the votes recorded in favor of or against the motion. A demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is required by the chairman of the meeting or is duly demanded by any shareholder entitled to vote and present, or deemed to be present, in person or by proxy at the meeting and the demand is not withdrawn, a ballot upon the motion shall be taken in such manner as the chairman of the meeting shall direct. Unless the OBCA or articles otherwise requires, upon a ballot, each shareholder who is present, or deemed to be present, in person or by proxy at the meeting shall be entitled to one vote for each share in respect of which he or she is entitled to vote at the meeting and the result of the ballot shall be the decision of the shareholders upon the motion.

Pursuant to the OBCA, the holders of not less than five percent of the issued shares of Canadian Solar Inc. that carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. Upon receiving such a requisition, unless certain statutory exceptions apply the directors shall call a meeting of shareholders to transact the business stated in the requisition and if they do not do so within twenty-one days after receiving the requisition, any shareholder who signed the requisition may call the meeting. We are obligated to reimburse the shareholders for the expenses reasonably incurred by them in requisitioning, calling and holding the meeting unless the shareholders have not acted in good faith and in the interest of our shareholders generally.

If for any reason it is impracticable to call a meeting of our shareholders in the manner in which meetings of shareholders may be called or to conduct the meeting in the manner prescribed by the articles and by-laws of Canadian Solar Inc. and the OBCA, or if for any other reason the court thinks fit, the court, upon the application of a director or a shareholder entitled to vote at the meeting, may order a meeting to be called, held and conducted in such manner as the court directs and upon such terms as to security for the costs of holding the meeting or otherwise as the court deems fit.

A corporation, shareholder or director may apply to the court to determine any controversy with respect to an election or appointment of a director or auditor of the corporation. Upon an application under this section, the court may make any order it thinks fit including, without limiting the generality of the foregoing, (a) an order restraining a director or auditor whose election or appointment is challenged from acting pending determination of the dispute; (b) an order declaring the result of the disputed election or appointment; (c) an order requiring a new election or appointment and including in the order directions for the management of the business and affairs of the corporation until a new election is held or appointment made; and (d) an order determining the voting rights of shareholders and of persons claiming to own shares.

Limitations on Ownership of Securities

Except as provided below, there are no limitations specific to the rights of non-Canadians to hold or vote our shares under the laws of Canada or Ontario, or in our articles or by-laws.

Competition Act

Limitations on the ability to acquire and hold our shares may be imposed by the *Competition Act* (Canada). This legislation establishes a pre-merger notification regime for certain types of merger transactions that exceed certain statutory shareholding and financial thresholds. Transactions that are subject to notification cannot be closed until the required materials are filed and the applicable statutory waiting period has expired or been waived by the Commissioner of Competition, or the Commissioner. Further, the *Competition Act* (Canada) permits the Commissioner to review any acquisition of control over or of a significant interest in us, whether or not it is subject to mandatory notification. This legislation grants the Commissioner jurisdiction, for up to one year (in respect of a merger that is subject to mandatory notification) or three years (in respect of any other merger), to challenge this type of acquisition before the Canadian Competition Tribunal if it would, or would be likely to, substantially prevent or lessen competition in any market in Canada.

Investment Canada Act

The *Investment Canada Act* requires notification and, in certain cases, advance review and approval by the Government of Canada, through the Minister of Innovation, Science and Industry (the "Minister"), of an investment to establish a new Canadian business by a non-Canadian or of the acquisition by a non-Canadian of "control" of a "Canadian business", all as defined in the Investment Canada Act. Generally, the threshold for advance review and approval will be higher in monetary terms for an investor who is controlled in a country that is a member of the World Trade Organization and who is not a state-owned enterprise. The *Investment Canada Act* generally prohibits the implementation of such a reviewable transaction unless, after review, the Minister is satisfied that the investment is likely to be of net benefit to Canada. The *Investment Canada Act* contains various rules to determine if there has been an acquisition of control. For example, for purposes of determining whether an investor has acquired control of a corporation by acquiring shares, the following general rules apply, subject to certain exceptions: (1) the acquisition of a majority of the voting shares of a corporation is deemed to be acquisition of control of that corporation; (2) the acquisition of less than a majority but one-third or more of the voting shares of a corporation is presumed to be an acquisition of control of that corporation unless it can be established that, on the acquisition, the corporation is not controlled in fact by the acquiror through the ownership of voting shares; and (3) the acquisition of less than one-third of the voting shares of a corporation is deemed not to be acquisition of control of that corporation.

In addition, under the *Investment Canada Act*, "national security" review on a discretionary basis may also be undertaken by the federal Canadian government in respect of a much broader range of investments by a non-Canadian to "acquire, in whole or in part, or to establish an entity carrying on all or any part of its operations in Canada", with the relevant test being whether the Minister has "reasonable grounds to believe that an investment by a non-Canadian could be injurious to national security." The Minister has broad discretion to determine whether an investor is a non-Canadian and therefore may be subject to "national security" review. Review on national security grounds is at the discretion of the federal government and may occur on a pre- or post-closing basis. If the Minister, after consultation with the Minister of Public Safety, considers that the investment could be injurious to "national security," the Minister may impose interim conditions and/or undertakings on the investment during the national security review. Such measures could include (without limitation) restricting the investor's voting or board appointment rights, restricting information sharing or other operational integration between the investor and the Canadian business and/or reporting obligations. If the Minister believes that the investment would or may be injurious to national security after consultation with the Minister of Public Safety, it may refer the investment to, the Governor in Council, who may take any measures in respect of the investment that it considers advisable to protect national security, including denying the investment, asking for undertakings, imposing terms or conditions for the investment, or ordering divestiture (if the investment has been completed). Any of these provisions may discourage a potential acquirer from proposing or completing a transaction that may have otherwise presented a premium to our shareholders. We cannot predict whether investors will find our company and our common shares less attractive because we are governed by foreign laws.

Provisions that would have an Effect of Delaying, Deferring or Preventing a Change of Control

The following provisions in Canadian Solar Inc.'s articles may deprive our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by delaying or preventing a change of control of our company:

- Our board of directors has the authority, without approval from the shareholders, to issue an unlimited number of preferred shares, in one or more series, at any time and from time to time. Before it issues any series of preferred shares, our board of directors shall fix the number of preferred shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of, such series. See "Item 10. Additional Information—B. Articles —Preferred Share Rights" for a more detailed description of the attributes of the preferred shares.

- Our board of directors is entitled to fix and may change the number of directors within the minimum and maximum number of directors provided for in our articles (i.e., a minimum of three and a maximum of ten directors). Our board of directors may appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

In addition, Canadian Solar Inc's by-laws and the OBCA provide for minimum time periods for the calling and holding of meetings of shareholders. See "Item 10. Additional Information—B. Articles—Shareholder Meetings" for more information.

Otherwise, there are no provisions in Canadian Solar Inc's articles or by-laws or in the OBCA that would have an effect of delaying, deferring or preventing a change in control of our company which would operate with respect to a merger, acquisition or corporate restructuring involving our company or any of our subsidiaries.

Provisions Governing the Ownership Threshold Above Which Shareholder Ownership Must be Disclosed

Canadian Solar Inc.'s articles and by-laws do not have any specific threshold requiring disclosure of ownership by holders of our shares. The OBCA and securities regulation in Canada requires that we disclose in our proxy information circular for our annual general meeting and certain other disclosure documents filed by us under such regulation, holders who beneficially own, directly or indirectly, or control or direct, voting securities of Canadian Solar Inc. carrying 10% or more of the voting rights attached to any class of outstanding voting securities. Most state corporation statutes do not contain provisions governing the threshold above which shareholder ownership must be disclosed. United States federal securities laws require us to disclose, in an annual report on Form 20-F, holders who own 5% or more of Canadian Solar Inc.'s issued and outstanding shares.

Conditions Imposed by Our Articles and By-Laws Governing Changes in Capital

The requirements imposed by Canadian Solar Inc.'s articles and by-laws governing changes in capital are not more stringent than is required by applicable laws, including the OBCA.

C Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" or elsewhere in this annual report on Form 20-F.

D Exchange Controls

See "Item 4. Information on the Company—B. Business Overview—Government Regulations—Foreign Currency Exchange" and "Item 4. Information on the Company—B. Business Overview—Government Regulations—Dividend Distribution."

E Taxation

Principal Canadian Federal Tax Considerations

General

The following is a summary of the principal Canadian federal income tax implications generally applicable to a holder of our common shares who, at all relevant times, (a) is a resident of the United States for purposes of the Canada-United States Income Tax Convention (1980) (the "**Convention**"), is fully entitled to the benefits of the Convention, and did not, does not and will not have a fixed base or permanent establishment in Canada within the meaning of the Convention, and (b) for purposes of the *Income Tax Act* (Canada) (the "**Canadian Tax Act**"), (i) is not a resident, or deemed to be a resident, of Canada; (ii) holds such common shares as capital property and as beneficial owner; (iii) deals at arm's length with and is not affiliated with us; (iv) does not use or hold, and is not deemed to use or hold, such common shares in the course of carrying on a business in Canada; (v) did not acquire our common shares by virtue of employment, and (vi) is not a financial institution, specified financial institution, registered non-resident insurer, authorized foreign bank, partnership or trust as defined in the Canadian Tax Act (a "**U.S. Holder**").

This summary does not deal with special situations, such as the particular circumstances of traders or dealers, tax exempt entities, insurers or financial institutions, or other holders of special status or in special circumstances. Such holders, and all other holders who do not meet the criteria in clauses (a) and (b) above, should consult their own tax advisors.

This summary is based upon the current provisions of the Canadian Tax Act, and an understanding of the current administrative practices published in writing by the Canada Revenue Agency prior to the date hereof. This summary takes into account all specific proposals to amend the Canadian Tax Act publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed, although no assurance can be given in this regard. This summary does not otherwise take into account or anticipate any changes in law or administrative policy, whether by legislative, governmental or judicial decision or action, and does not take into account or consider any provincial, territorial or foreign income tax considerations.

For the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of our common shares must generally be expressed in Canadian dollars. Amounts denominated in United States currency generally must be converted into Canadian dollars using the rate of exchange that is acceptable to the Canada Revenue Agency.

The Canadian federal income tax consequences of acquiring, holding and disposing of our common shares will depend on each U.S. Holder's particular situation. This summary is not intended to be a complete analysis of or description of all potential Canadian federal income tax consequences, and should not be construed to be, legal, business or tax advice directed at any particular U.S. Holder or prospective purchaser of our common shares. Accordingly, U.S. Holders or prospective purchasers of our common shares should consult their own tax advisors for advice with respect to the Canadian federal income tax consequences of an investment in our common shares based on their own particular circumstances.

Dividends

Amounts paid or credited, or deemed under the Canadian Tax Act to be paid or credited, on account or in lieu of payment of, or in satisfaction of, dividends to a U.S. Holder that has provided the requisite documentation regarding its entitlement to benefits under the Convention will be subject to Canadian withholding tax at the reduced rate of 15% under the Convention. This rate is further reduced to 5% in the case of a U.S. Holder that is a company for purposes of the Convention that owns at least 10% of our voting shares at the time the dividend is paid or deemed to be paid.

Disposition of Our Common Shares

A U.S. Holder will not be subject to income tax under the Canadian Tax Act in respect of any capital gain realized on a disposition or deemed disposition of our common shares that it holds unless, at the time of disposition, such common shares constitute "taxable Canadian property" of the U.S. Holder for the purposes of the Canadian Tax Act and the U.S. Holder is not otherwise entitled to an exemption under the Convention.

Provided that our common shares are then listed on a "designated stock exchange" for purposes of the Canadian Tax Act (which currently includes the Nasdaq), at the time of disposition, our common shares generally will not constitute taxable Canadian property of a U.S. Holder at that time, unless at any time during the 60 month period immediately preceding the disposition of the common shares (i) 25% or more of the issued shares of any class or series of the capital stock of our company were owned by, or belonged to, any combination of (a) the U.S. Holder, (b) persons with whom the U.S. Holder did not deal at arm's length, and (c) partnerships in which the U.S. Holder or a person described in (b) held a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Canadian Tax Act), "timber resource property" (as defined in the Canadian Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, our common shares may also be deemed to be taxable Canadian property to a U.S. Holder for purposes of the Canadian Tax Act in certain circumstances.

U.S. Holders for whom our common shares are, or may be, taxable Canadian property should consult their own tax advisors with respect to the application of Canadian capital gains taxation, any potential relief under the Convention, and compliance procedures under the Canadian Tax Act, none of which is described in this summary.

Canada—United States Income Tax Convention

The Convention includes a complex limitation on benefits provision. U.S. Holders are urged to consult their own tax advisors to determine their entitlement to benefits under the Convention.

United States Federal Income Taxation

The following discussion describes certain material United States federal income tax consequences to a United States Holder (as defined below), under current law, of an investment in our common shares. This discussion is based on the federal income tax laws of the United States as of the date of this annual report on Form 20-F, including the United States Internal Revenue Code of 1986, as amended, or the Code, existing and proposed Treasury Regulations promulgated thereunder, judicial authority, published administrative positions of the IRS and other applicable authorities, all as of the date of this annual report on Form 20-F. All of the foregoing authorities are subject to change, which change could apply retroactively and could significantly affect the tax consequences described below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following discussion and there can be no assurance that the IRS or a court will agree with our statements and conclusions. Moreover, this discussion does not address the United States federal estate, gift, Medicare, and alternative minimum tax consequences, or any state, local and non-United States tax consequences, relating to an investment in our common shares. Except as explicitly described below, this discussion does not address any tax consequences or reporting obligations that may be applicable to persons holding our common shares through a bank, financial institution or other entity, or a branch thereof, located, organized or resident outside the United States, and does not describe any tax consequences arising in respect of the "Foreign Account Tax Compliance Act", or FATCA, regime.

This discussion applies only to a United States Holder (as defined below) that holds our common shares as capital assets (that is, property generally held for investment) for United States federal income tax purposes. The discussion neither addresses the tax consequences to any particular investor nor describes all of the tax consequences applicable to persons in special tax situations such as:

- banks and certain other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;

- brokers or dealers in stocks and securities, or currencies;
- persons that use or are required to use a mark-to-market method of accounting;
- certain former citizens or residents of the United States subject to Section 877 of the Code;
- entities subject to the United States anti-inversion rules;
- tax-exempt organizations and entities;
- persons subject to the alternative minimum tax provisions of the Code;
- persons whose functional currency is other than the United States dollar;
- persons holding common shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own common shares representing 10% or more of our total voting power or value;
- persons who acquired common shares pursuant to the exercise of an employee stock option or otherwise as compensation;
- partnerships or other pass-through entities, or persons holding common shares through such entities;
- persons required to accelerate the recognition of any item of gross income with respect to our common shares as a result of such income being recognized on an applicable financial statement; or
- persons that held, directly, indirectly or by attribution, common shares or other ownership interest in us prior to our initial public offering.

If a partnership (including an entity or arrangement treated as a partnership for United States federal income tax purposes) holds our common shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership holding our common shares, or a partner in such a partnership, should consult its tax advisors regarding the tax consequences of investing in and holding our common shares.

THE FOLLOWING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX LAWS OR THE LAWS OF ANY STATE, LOCAL OR NON-UNITED STATES TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of the discussion below, a “United States Holder” is a beneficial owner of our common shares that is, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons (as defined in the Code) have the authority to control all of its substantial decisions or (ii) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable Treasury Regulations to treat such trust as a domestic trust.

Dividends and Other Distributions on the Common Shares

Subject to the passive foreign investment company rules discussed below, the gross amount of any distribution that we make to you with respect to our common shares (including any amounts withheld to reflect withholding taxes) will be taxable as a dividend, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) will be includable in your gross income on the day actually or constructively received by you. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid generally will be reported as a "dividend" for United States federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to qualifying corporations under the Code.

Dividends received by a non-corporate United States Holder may qualify for the lower rates of tax applicable to "qualified dividend income," if the dividends are paid by a "qualified foreign corporation" and other conditions discussed below are met. A non-United States corporation is treated as a qualified foreign corporation (a) with respect to dividends paid by that corporation on shares that are readily tradable on an established securities market in the United States or (b) if such non-United States corporation is eligible for the benefits of a qualifying income tax treaty with the United States that includes an exchange of information program. However, a non-United States corporation will not be treated as a qualified foreign corporation if it is a passive foreign investment company in the taxable year in which the dividend is paid or the preceding taxable year.

Under a published IRS Notice, common shares are considered to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq Global Market, as our common shares are, but we cannot guarantee that our common shares will always be so listed. In addition, we may be eligible for the benefits of the income tax treaty between the United States and Canada. If we are eligible for such benefits, then dividends that we pay to certain non-corporate United States Holders on our common shares would be, subject to applicable limitations, eligible for the reduced rates of taxation.

Even if dividends would be treated as paid by a qualified foreign corporation, a non-corporate United States Holder will not be eligible for reduced rates of taxation if it does not hold our common shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date (disregarding certain periods of ownership while the United States Holder's risk of loss is diminished) or if such United States Holder elects to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code. In addition, the rate reduction will not apply to dividends of a qualified foreign corporation if the non-corporate United States Holder receiving the dividend is obligated to make related payments with respect to positions in substantially similar or related property.

You should consult your tax advisors regarding the availability of the lower tax rates applicable to qualified dividend income for any dividends that we pay with respect to the common shares, as well as the effect of any change in applicable law after the date of this annual report on Form 20-F.

Any Canadian withholding taxes imposed on dividends paid to you with respect to our common shares (at a rate not exceeding any applicable treaty rate in the case of a United States Holder that is eligible for the benefits of a relevant treaty) generally will be treated as foreign taxes eligible for deduction or credit against your United States federal income tax liability, subject to the various limitations and disallowance rules that apply to foreign tax credits generally (including that the election to deduct or credit foreign taxes applies to all of your other applicable foreign taxes for a particular tax year). For purposes of calculating the foreign tax credit, dividends paid to you with respect to the common shares will be treated as income from sources outside the United States and generally will constitute passive category income, or in certain cases, general category income. The rules relating to the determination of the foreign tax credit are complex. You should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances.

The amount of any dividend paid in currency other than the United States dollar will be the dividend's United States dollar value calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into United States dollars. A United States Holder may have foreign currency gain or loss, which generally will be United States source ordinary income or loss, if any dividend is converted into United States dollars after the date of receipt.

Disposition of the Common Shares

You will recognize gain or loss on a sale or exchange of our common shares in an amount equal to the difference between the amount realized on the sale or exchange and your tax basis in the common shares. Subject to the discussion under "Passive Foreign Investment Company" below, such gain or loss generally will be capital gain or loss. Capital gains of a non-corporate United States Holder, including an individual, that has held the common share for more than one year currently are eligible for reduced tax rates. The deductibility of capital losses is subject to limitations.

Any gain or loss that you recognize on a disposition of our common shares generally will be treated as United States-source income or loss for foreign tax credit limitation purposes. You should consult your tax advisors regarding the proper treatment of gain or loss.

A United States Holder that receives currency other than the United States dollar upon the sale or other disposition of our common shares generally will realize an amount equal to the United States dollar value of the foreign currency on the date of such sale or other disposition or, if our common shares are traded on an established securities market, in the case of cash basis and electing accrual basis taxpayers, the settlement date. If a United States Holder is not able to treat the settlement date as the realization date, the United States Holder generally will recognize currency gain or loss if the United States dollar value of the currency received on the settlement date differs from the amount realized. A United States Holder will have a tax basis in the currency received equal to the United States dollar amount at the spot rate on the settlement date. Generally, any gain or loss realized by a United States Holder on a subsequent conversion or disposition of such currency will be United States-source ordinary income or loss.

Passive Foreign Investment Company

Based on the value of our assets and the nature and composition of our income and assets, we do not believe we were a passive foreign investment company, or PFIC, for United States federal income tax purposes for our taxable year ended December 31, 2025, though there can be no assurances in this regard. PFIC status is based on an annual determination that cannot be made until the close of a taxable year, involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income that we earn, and is subject to uncertainty in several respects. Moreover, we cannot guarantee that the IRS will agree with any positions that we take. Accordingly, we cannot assure you that we will not be treated as a PFIC for any taxable year or that the IRS will not take a position contrary to any position that we take.

We will be treated as a PFIC for United States federal income tax purposes for any taxable year if, applying applicable look-through rules, either:

- at least 75% of our gross income for such year is passive income; or
- at least 50% of the value of our assets (generally determined based on a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties, rents and gains from commodities transactions (other than certain royalties, rents and commodities gains derived in the active conduct of a trade or business and not derived from a related person). We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% by value of the stock. We hold a substantial amount of cash and other assets treated as producing passive income, and if the percentage of our assets treated as producing passive income increases, we may be more likely to be a PFIC for the current or one or more future taxable years.

Changes in the value of our assets and/or the nature or composition of our income or assets may cause us to be more likely to be a PFIC. The determination of whether we are a PFIC for any taxable year also may depend in part upon the value of our goodwill and other unbooked intangibles not reflected on our balance sheet (which may be determined based upon the market value of the common shares from time to time, which may be volatile) and by how, and how quickly, we spend our liquid assets and the cash we generate from our operations. Among other matters, if our market capitalization declines, we may be a PFIC because our liquid assets and cash (which are for this purpose considered assets that produce passive income) may then represent a greater percentage of our overall assets. Further, while we believe our classification methodology and valuation approach (including, if relevant, any approach taken with respect to our market capitalization) are reasonable, it is possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our being or becoming a PFIC for the current taxable year or one or more future taxable years.

If we are a PFIC for any taxable year during your holding period for our common shares, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold common shares, unless we were to cease to be a PFIC and you make a "deemed sale" election with respect to the common shares. If such election is made, you will be deemed to have sold the common shares you hold at their fair market value and any gain from such deemed sale would be subject to the rules described in the following two paragraphs. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, your common shares with respect to which such election was made will not be treated as shares in a PFIC and, as a result, you will not be subject to the rules described below with respect to any "excess distribution" you receive from us or any gain from a sale or other taxable disposition of the common shares. You are strongly urged to consult your tax advisors as to the possibility and consequences of making a deemed sale election if we are and then cease to be a PFIC and such an election becomes available to you.

If we are a PFIC for any taxable year during your holding period for our common shares, then, unless you make a "mark-to-market" election (as discussed below), you generally will be subject to special and adverse tax rules with respect to any "excess distribution" that you receive from us and any gain that you recognize from a sale or other disposition, including a pledge, of the common shares. For this purpose, distributions that you receive in a taxable year that are greater than 125% of the average annual distributions that you received during the shorter of the three preceding taxable years or your holding period for the common shares will be treated as an excess distribution. Under these rules:

- the excess distribution or recognized gain will be allocated ratably over your holding period for the common shares;
- the amount of the excess distribution or recognized gain allocated to the taxable year of distribution or gain, and to any taxable years in your holding period prior to the first taxable year in which we were treated as a PFIC, will be treated as ordinary income; and
- the amount of the excess distribution or recognized gain allocated to each other taxable year will be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year and the resulting tax will be subject to the interest charge generally applicable to underpayments of tax.

If we are a PFIC for any taxable year during your holding period for our common shares and any of our non-United States subsidiaries or other corporate entities in which we directly or indirectly own equity interests is also a PFIC, you would be treated as owning a proportionate amount (by value) of the shares of each such non-United States entity classified as a PFIC (each such entity, a lower-tier PFIC) for purposes of the application of these rules. You should consult your tax advisor regarding the application of the PFIC rules to any of our lower-tier PFICs.

If we are a PFIC for any taxable year during your holding period for our common shares, then in lieu of being subject to the tax and interest-charge rules discussed above, you may make an election to include gain on the common shares as ordinary income under a mark-to-market method, provided that the common shares constitute "marketable stock." Marketable stock is stock that is regularly traded on a qualified exchange or other market, as defined in applicable Treasury Regulations. Our common shares are listed on the Nasdaq Global Market, which is a qualified exchange or other market for these purposes. Consequently, as long as our common shares are regularly traded, and you are a holder of such common shares, we expect that the mark-to-market election would be available to you if we become a PFIC, but no assurances are given in this regard.

If you make a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless our common shares are no longer regularly traded on a qualified exchange or other market, or the IRS consents to the revocation of the election. United States Holders should consult their tax advisors regarding the availability of the mark-to-market election and whether making the election would be advisable in such United States Holder's particular circumstances.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, if we were a PFIC for any taxable year, a United States Holder that makes a mark-to-market election with respect to our common shares may continue to be subject to the tax and interest charges under the general PFIC rules with respect to such United States Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

In certain circumstances, a United States shareholder in a PFIC may avoid the adverse tax and interest-charge regime described above by making a "qualified electing fund" election to include in income its share of such corporation's income on a current basis. However, you may make a qualified electing fund election with respect to your common shares only if we agree to furnish you annually with a PFIC annual information statement as specified in the applicable Treasury Regulations. We currently do not intend to prepare or provide the information that would enable you to make a qualified electing fund election.

A United States Holder that holds our common shares in any year in which we are classified as a PFIC will be required to file an annual report containing such information as the United States Treasury Department may require. You should consult your tax advisor regarding the application of the PFIC rules to your ownership and disposition of the common shares and the availability, application and consequences of the elections discussed above.

Information Reporting and Backup Withholding

Information reporting to the IRS and backup withholding generally will apply to dividends in respect of, and the proceeds from the sale or exchange of, our common shares that are paid to you within the United States (and in certain cases, outside the United States), unless you furnish a correct taxpayer identification number and make any other required certification (generally on IRS Form W-9), or otherwise establish an exemption from information reporting and backup withholding. Backup withholding is not an additional tax. Amounts withheld as backup withholding generally are allowed as a credit against your United States federal income tax liability, and you may be entitled to obtain a refund of any excess amounts withheld under the backup withholding rules if you file an appropriate claim for refund with the IRS and furnish any required information in a timely manner.

United States Holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

United States Holders who are individuals (and certain entities closely held by individuals) generally will be required to report our name, address and such information relating to an interest in the common shares as is necessary to identify the class or issue of which their common shares are a part. These requirements are subject to exceptions, including an exception for common shares held in accounts maintained by certain financial institutions and an exception applicable if the aggregate value of all "specified foreign financial assets" (as defined in the Code) does not exceed US$50,000.

United States Holders should consult their tax advisors regarding the application of these information reporting rules.

F Dividends and Paying Agents

Not applicable.

G Statement by Experts

Not applicable.

H Documents on Display

We previously filed with the SEC our registration statements on Form F-1 (File Number 333-138144), initially filed on October 23, 2006, and registration statements on Form F-3 (File Number 333-208828), initially filed on January 4, 2016.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year. Copies of reports and other information, when so filed, may be inspected without charge and may be obtained at prescribed rates at the public reference facilities maintained by the Securities and Exchange Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the Commission at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements.

Effective March 18, 2026, directors and officers of foreign private issuers become subject to insider reporting requirements under Section 16(a) of the Exchange Act. Directors and officers of foreign private issuers will remain exempt from the short-swing profits rule under Section 16(b) and the short sale prohibition under Section 16(c), and significant shareholders of foreign private issuers who are not directors and officers will remain entirely exempt from Section 16.

Our financial statements have been prepared in accordance with U.S. GAAP.

We will furnish our shareholders with annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP.

I Subsidiary Information

For a listing of our significant subsidiaries, see "Item 4. Information on the Company—C. Organizational Structure."

J Annual Report to Security Holders

Not applicable.

ITEM 11 *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Foreign Exchange Risk

Our business transactions are carried out in various currencies, including the U.S. dollar, Renminbi, Euro, and others such as Brazilian real, British pound, Australian dollar, Japanese yen and Canadian Dollar. We continually evaluate our foreign currency exposure based on current market conditions and the locations in which we conduct business. We manage most foreign currency exposures on a consolidated basis, which allows us to net certain exposures and take advantage of natural offsets. Currency fluctuations may affect our cash flows, revenues, and expenses, particularly when transactions occur in currencies that differ from the functional currencies of our subsidiaries. We recorded foreign exchange gains of $46.8 million in 2024 and loss of $16.8 million in 2025. To mitigate currency risk, we use derivative instruments, primarily foreign exchange forwards or options, to hedge against U.S. dollar exposures. We incurred losses from changes in the fair value of foreign currency derivatives of $51.4 million in 2024 and $42.4 million in 2025.

As of December 31, 2025, we held approximately $206.1 million in net monetary liabilities denominated in various currencies. A 10% change in those currencies relative to their functional currencies would result in a foreign exchange impact of approximately $20.6 million, excluding the effect of hedges. We also face translation risk, as our consolidated financial statements are presented in U.S. dollars while some subsidiaries use other functional currencies. Appreciation or depreciation of these currencies may result in gains or losses upon disposal or sale of these subsidiaries. As we expand our international business, our foreign exchange exposure may increase further.

Interest Rate Risk

Our interest rate risk primarily arises from floating-rate borrowings and short-term investments. We use derivative financial instruments, such as interest rates swap, to manage some of our interest risk exposure. A hypothetical 1% increase in interest rates would have increased our annual interest expense by approximately $43.0 million based on floating-rate borrowings as of December 31, 2025, compared to $30.2 million based on floating-rate borrowings as of December 31, 2024.

Commodity Price Risk

We are exposed to price volatility in raw materials, components, logistics and energy costs used in the manufacturing and transportation related to our solar modules and battery energy storage products, and EPC costs related to our project constructions. Our reliance on a limited number of suppliers further heightens this exposure. Price increases, supplier disruptions or reduced availability of key materials could materially impact our costs and margins if not passed on to customers. We may use commodity hedging instruments and supplier diversification to mitigate these risks.

Certain of our manufacturing inputs, including lithium carbonate used in battery energy storage systems and silver used in solar cell metallization, are subject to commodity price volatility. To the extent that fixed or indexed pricing arrangements with suppliers are not available or do not provide sufficient price certainty, we may, in the future, seek to mitigate price risk through commodity hedging arrangements, supplier diversification, or other contractual mechanisms. There can be no assurance, however, that such risk management strategies will be available on acceptable terms, will effectively offset price volatility, or will not introduce additional costs, liquidity requirements, or counterparty risks.

For our supply chain management, see "Item 4. Information on the Company—B. Business Overview—Supply Chain Management." For risks relating to the long-term agreements with our raw material suppliers, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Supply chain disruptions, cost increases or performance issues could adversely affect our business and relationship with customers, particularly given our dependence on a limited number of key suppliers."

In connection with our long-term ownership of solar power and battery energy storage projects, we are exposed to merchant power price fluctuations and power price volatility in the electricity markets, particularly during periods of grid congestion. Our participation in power trading activities could further increase our exposure to such market price volatility.

Inflation, particularly in the U.S. and Europe, has led to rising costs for transportation, labor and materials. While inflation has not historically had a material impact on our operations, continued or elevated inflation could adversely affect our cost structure. If our costs become subject to significant inflationary pressures, we may not be able to fully offset higher costs through price increases for our products and services. Our inability to do so could harm our business, financial condition and results of operations.

ITEM 12 *DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES*

Not applicable.

PART II

ITEM 13 *DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES*

None of these events occurred in any of the years ended December 31, 2023, 2024 and 2025.

ITEM 14 *MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS*

A Material Modifications to the Rights of Security Holders

See "Item 10. Additional Information—B. Articles" for a description of the rights of shareholders, which remain unchanged.

B Use of Proceeds

Not applicable.

ITEM 15 *CONTROLS AND PROCEDURES*

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, our management has concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such item is defined in Rules 13a-15(f) under the Exchange Act, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with generally accepted accounting principles and includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of a company's assets; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of a company's management and directors; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of a company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the Securities and Exchange Commission, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025 using criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm, who audited our consolidated financial statements for the year ended December 31, 2025, has also audited the effectiveness of internal control over financial reporting as of December 31, 2025.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Canadian Solar Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Canadian Solar Inc. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated April 10, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, China
April 10, 2026

Changes in Internal Controls

Management has evaluated, with the participation of our chief executive officer and chief financial officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes occurred during the period covered by this annual report on Form 20-F.

ITEM 16A ***AUDIT COMMITTEE FINANCIAL EXPERT***

Our board of directors has determined that Leslie Chang qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20 F. Each of the members of the audit committee is an "independent director" as defined in the Nasdaq Marketplace Rules.

ITEM 16B ***CODE OF ETHICS***

Our board of directors has adopted a code of ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our chief executive officer, chief financial officer, vice presidents and any other persons who perform similar functions for us. We have posted our code of business conduct on our website at www.canadiansolar.com. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person's written request.

ITEM 16C ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

The following table sets forth the aggregate fees (in whole U.S. dollars) by categories specified below in connection with certain professional services rendered by Deloitte Touche Tohmatsu Certified Public Accountants LLP and its affiliates, our principal external auditors, for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	For the years ended December 31,	
	2024	2025
Audit fees[(1)]	$ 1,579,000	$ 1,000,000
Audit related fees[(2)]	$ 1,565,265	$ 581,000
Tax fees[(3)]	$ 58,846	$ 10,000
Others[(4)]	$ 66,000	$ 16,000

(1) "Audit fees" means the aggregate fees billed for professional services rendered by our principal auditors for the annual audit of our consolidated financial statements.

(2) "Audit related fees" represents the aggregate fees billed for assurance and related services by our principal auditors and its affiliates that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported as audit fees. These include professional services rendered in connection with statutory audits, agreed upon procedure of our subsidiary companies, quarterly reviews and other related services. In 2024, "Audit related fees" included approximately $1.4 million for the statutory audits and agreed upon procedures of our subsidiaries. In 2025, "Audit related fees" included $0.4 million for statutory audits, assurance audits and agreed upon procedure of our subsidiaries.

(3) "Tax fees" were for services rendered by our principal auditors for tax compliance, tax advice and tax planning.

(4) Others refer to the aggregate fees for other non-audit service provided by our principal auditors' affiliates to CSI Solar.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Deloitte Touche Tohmatsu Certified Public Accountants LLP and its affiliates, including audit services, audit-related services, tax services and other services as described above, other than those for de minimis services which are approved by the Audit Committee prior to the completion of the audit. We have a written policy on the engagement of an external auditor.

ITEM 16D ***EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES***

Not applicable.

ITEM 16E ***PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS***

None.

ITEM 16F ***CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT***

Not applicable.

ITEM 16G ***CORPORATE GOVERNANCE***

None.

ITEM 16H ***MINE SAFETY DISCLOSURE***

Not applicable.

ITEM 16I ***DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS***

Not applicable.

ITEM 16J ***INSIDER TRADING POLICIES***

We have adopted an insider trading policy that governs the purchase, sale, and other dispositions of our securities by directors, officers and employees that is reasonably designed to promote compliance with insider trading laws, rules and regulations, as well as applicable listing standards. A copy of the insider trading policy is included as Exhibit 11.1 to this annual report on Form 20-F.

ITEM 16K ***CYBERSECURITY***

Cybersecurity Risk Management

We collect and maintain information in digital form that is necessary to conduct operations and engage with our customers and business partners, and we are increasingly dependent on information technology systems and network infrastructure to operate our business. We rely on information technology systems to keep financial records, manage our manufacturing operations, maintain quality control, fulfill customer orders, facilitate our research and development initiatives, maintain corporate records, communicate with staff and external parties and operate other critical functions. We operate some of these systems, but we also rely on third-party providers for a range of software, products and services that are critical to our operations and business. Both our and our third-party providers' information technology systems are vulnerable to threat from cyber intrusion, ransomware, denial of service, phishing, account takeover, data manipulation, and other cyber misconduct.

Our information technology organization seeks to employ best practices, including the implementation of a cybersecurity risk management program intended to protect the confidentiality, integrity and availability of our critical systems and information. Our cybersecurity risk management program includes several processes, including, but not limited to, the following:

- Cybersecurity incident response plan. The plan outlines the processes and procedures that we should follow to respond to, remediate and resolve a security incident involving a potential or actual compromise of our digital information. The plan also describes the structure, roles and responsibilities of internal information technology personnel involved in responding to such incidents and provides a process for alerting management of such incidents. The cybersecurity incident response plan is reviewed on an annual basis and revised as necessary.

- Incident detection and prevention. We have implemented and maintained technologies and solutions to assist in the prevention of potential cybersecurity incidents. These safeguards include, among other things, intrusion prevention and detection systems, software patch management, including anti-virus and anti-malware installations, and ongoing vulnerability assessments.

- Internal user and third-party information technology access. We employ various security measures, including data encryption, firewalls, email security and network segmentation with access control lists to restrict data availability to authorized systems and networks.

- Information technology change management and physical security. We implement safeguards, protocols and procedures to protect data integrity, device vulnerabilities and secure our information technology infrastructure through network tools and systems. We aim to enhance information security by consolidating business systems and information systems on integrated platforms. We further conduct cybersecurity awareness training for our employees.

We designed and assessed our program based on industry standards and framework, including ISO ("International Organization for Standardization"), NIST ("National Institute of Standards and Technology"), and ITIL ("Information Technology Infrastructure Library"). While this does not imply that we meet any particular technical standards, specifications or requirements, we use these industry standards and framework as a guide to assist us to identify, assess and manage cybersecurity risks relevant to our business.

We work with third party cybersecurity professionals to conduct security assessments of our enterprise-wide cybersecurity practices, including penetration testing, and identify areas for continuous improvement within the information security program.

Although we have implemented various measures to protect our information technology systems and mitigate cybersecurity threats, cybersecurity risk can never be eliminated, and we may from time to time be exposed to risks from cybersecurity threats. While we have not experienced any material cybersecurity threats or incidents as of the date of this Annual Report on Form 20-F, there can be no guarantee that we will not be the subject of future successful attacks, threats, or incidents that may materially affect us, including our business strategy, results of operations, or financial condition.

For more information regarding the risks associated with cybersecurity incidents, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company and Our Industry—Interruption, security breaches or failures of information technology, control and communication systems could disrupt our business and expose us to liability".

Cybersecurity Oversight and Governance

The board of directors oversees the Company's risk management processes directly and through its committees. Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational and financial risk areas.

The Nominating and Corporate Governance Committee oversees management's implementation of our cybersecurity risk management program. The Nominating and Corporate Governance Committee receives periodic reports from management on our cybersecurity risks. In addition, our management updates the Nominating and Corporate Governance Committee, as necessary, regarding any material cyber security incidents, as well as any incidents with lesser impact potential. The Nominating and Corporate Governance Committee reports to the full board of directors regarding its activities, including those related to cybersecurity.

Our management supervises efforts to prevent, detect, mitigate and remediate cybersecurity risks and incidents through various means, which may include briefings from internal information technology personnel; threat intelligence and other information obtained, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the information technology environment. Our internal information technology personnel who support our information security program have relevant educational and industry experience, including holding similar positions at large companies.

PART III

ITEM 17 *FINANCIAL STATEMENTS*

We have elected to provide financial statements pursuant to Item 18.

ITEM 18 *FINANCIAL STATEMENTS*

The consolidated financial statements of Canadian Solar Inc. are included at the end of this annual report.

ITEM 19 *EXHIBITS*

Exhibit Number	Description of Document
1.1	Certificate of Continuance and Articles of Continuance of Canadian Solar Inc. (incorporated by reference to Exhibit 1.1 of our annual report on Form 20-F for the year ended December 31, 2022 (File No. 001-33107), initially filed with the Securities and Exchange Commission on April 18, 2023)
2.1	Registrant's Specimen Certificate for Common Shares. (incorporated by reference to Exhibit 2.1 of our annual report on Form 20-F for the year ended December 31, 2022 (File No. 001-33107), initially filed with the Securities and Exchange Commission on April 18, 2023)
2.2	Description of Securities of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 2.2 of our annual report on Form 20-F for the year ended December 31, 2022 (File No. 001-33107), initially filed with the Securities and Exchange Commission on April 18, 2023)
2.3*	Indenture, dated as of January 13, 2026, between Canadian Solar Inc. and The Bank of New York Mellon, as trustee
4.1	Amended and Restated Share Incentive Plan of the Registrant, effective on May 8, 2011 (incorporated by reference to Exhibit 4.1 of our annual report on Form 20-F for the year ended December 31, 2016 (File No. 001-33107), initially filed with the Securities and Exchange Commission on April 27, 2017)
4.2	Form of Director Indemnity Agreement (incorporated by reference to Exhibit 4.1 of our annual report on Form 20-F for the year ended December 31, 2008 (File No. 001-33107), as amended, initially filed with the Securities and Exchange Commission on June 8, 2009)
4.3	Employment Agreement between the Registrant and Dr. Shawn Qu (incorporated by reference to Exhibit 10.2 of our registration statement on Form F-1 (File No. 333-138144), as amended, initially filed with the Securities and Exchange Commission on October 23, 2006)
4.4	Form of Employment Agreement between the Registrant and its executive officers (incorporated by reference to Exhibit 4.7 of our annual report on Form 20-F for the year ended December 31, 2010 (File No. 001-33107), as amended, initially filed with the Securities and Exchange Commission on May 17, 2011)
8.1*	List of Significant Subsidiaries
11.1*	Insider Trading Policy
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 of our annual report on Form 20-F for the year ended December 31, 2023 (File No. 001-33107), initially filed with the Securities and Exchange Commission on April 26, 2024)
101*	Financial information from registrant for the year ended December 31, 2025 formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets as of December 31, 2024 and 2025; (ii) Consolidated Statements of Operations for the Years Ended December 31, 2023, 2024 and 2025; (iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2023, 2024 and 2025; (iv) Consolidated Statements of Changes in Redeemable Non-Controlling Interests and Equity for the Years Ended December 31, 2023, 2024 and 2025; (v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2023, 2024 and 2025; (vi) Notes to Consolidated Financial Statements; and (vii) Additional Information—Financial Statements Schedule I
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CANADIAN SOLAR INC.

By: /s/ Shawn (Xiaohua) Qu
Name: Shawn (Xiaohua) Qu
Title: Chairman and
Chief Executive Officer

By: /s/ Xinbo Zhu
Name: Xinbo Zhu
Title: Chief Financial Officer

Date: April 10, 2026

Consolidated Financial Statements of Canadian Solar Inc.
For the Financial Year Ended December 31, 2025

Table of Contents

Report of Independent Registered Public Accounting Firm (PCAOB ID No. 1113)	F-2
Consolidated Balance Sheets	F-4
Consolidated Statements of Operations	F-5
Consolidated Statements of Comprehensive Income (Loss)	F-6
Consolidated Statements of Changes in Redeemable Non-Controlling Interests and Equity	F-7
Consolidated Statements of Cash Flows	F-8
Notes to Consolidated Financial Statements	F-10
Additional Information — Condensed Financial Statements of Parent Company	F-51

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Canadian Solar Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Canadian Solar Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), changes in redeemable non - controlling interests and equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes and the financial statement schedule (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 10, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition of Battery Energy Storage Solutions, Refer to Note 2 (x) and Note 21 to the Financial Statements

Critical Audit Matter Description

The Company recognizes revenue for the delivery of battery energy storage solutions ("BESS") over time based on the estimated progress toward satisfaction of the performance obligation. Management of the Company uses judgments to identify the performance obligation and to estimate progress toward satisfaction for the identified performance obligation. We identified revenue recognition for the delivery of BESS as a critical audit matter because of the extensive audit effort in performing procedures related to the revenue recognition of BESS as a result of the complexity associated with the judgment involved.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue recognized over time in relation to battery energy storage solutions included the following, among others:

- We tested the effectiveness of internal controls over the revenue recognition, including controls over the review of management's assumptions and inputs used to recognize revenue over time.
- We selected a sample of completed projects during the year and evaluated management's ability to accurately estimate the total expected inputs to the satisfaction of the identified performance obligation at inception by comparing the management's estimates to those actually incurred.
- We selected a sample of revenue recognized and performed the following:
    - Evaluating the appropriateness of management's methods and assumptions used to recognize revenue over time.
    - Testing the accuracy and occurrence of the inputs to the satisfaction of the performance obligation.
    - Assessing the reasonableness of estimated progress towards satisfaction of the performance obligation.
    - Verifying the mathematical accuracy of management's calculation of revenue recognized over time.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, China

April 10, 2026

We have served as the Company's auditor since 2006.

Canadian Solar Inc.
Consolidated Balance Sheets

(U.S. dollars in thousands, except share data)	December 31, 2024	December 31, 2025
Assets		
Including balances in variable interest entities (Note 10)		
Current assets:		
Cash and cash equivalents	$ 1,701,487	$ 1,370,418
Restricted cash	551,387	541,705
Accounts receivable trade, net	1,118,770	829,957
Accounts receivable, unbilled	142,603	228,393
Amounts due from related parties	5,220	17,959
Inventories	1,206,595	1,133,539
Value added tax recoverable	221,539	252,251
Advances to suppliers, net	124,440	217,871
Derivative assets	14,025	15,002
Project assets	394,376	549,269
Prepaid expenses and other current assets	436,635	822,502
Total current assets	5,917,077	5,978,866
Restricted cash	11,147	28,312
Property, plant and equipment, net	3,174,643	3,376,035
Solar power and battery energy storage systems, net	1,976,939	2,065,498
Deferred tax assets, net	473,500	634,160
Advances to suppliers, net	118,124	104,518
Investments in affiliates	232,980	289,601
Intangible assets, net	31,026	31,981
Project assets	889,886	1,481,486
Right-of-use assets	378,548	441,291
Amounts due from related parties	75,215	76,848
Other non-current assets	232,465	663,133
Total Assets	$ 13,511,550	$ 15,171,729
Liabilities, Redeemable Interests and Equity		
Including balances in variable interest entities (Note 10)		
Current liabilities:		
Short-term borrowings	$ 1,873,306	$ 2,389,037
Convertible notes	228,917	—
Green bonds	—	153,152
Accounts payable	1,062,874	878,827
Short-term notes payable	637,512	939,549
Amounts due to related parties	3,927	7,484
Other payables	984,023	779,198
Advances from customers	204,826	162,586
Derivative liabilities	13,738	6,179
Operating lease liabilities	21,327	26,783
Other current liabilities	388,460	507,594
Total current liabilities	5,418,910	5,850,389
Long-term borrowings	2,731,543	3,621,232
Convertible notes	—	195,313
Green bonds	146,542	—
Liability for uncertain tax positions	5,770	5,788
Deferred tax liabilities	204,832	296,719
Operating lease liabilities	271,849	354,508
Other non-current liabilities	582,301	578,152
Total Liabilities	9,361,747	10,902,101
Redeemable non-controlling interests	247,834	326,559
Commitments and contingencies (Note 20)		
Equity:		
Common shares: no par value, unlimited authorized, 66,954,634 and 67,810,136 outstanding, respectively	835,543	835,543
Additional paid-in capital	590,578	568,921
Retained earnings	1,585,758	1,481,632
Accumulated other comprehensive loss	(196,379)	(78,125)
Total Canadian Solar Inc. shareholders' equity	2,815,500	2,807,971
Non-controlling interests	1,086,469	1,135,098
Total Equity	3,901,969	3,943,069
Total Liabilities, Redeemable Interests and Equity	$ 13,511,550	$ 15,171,729

The accompanying notes are an integral part of these consolidated financial statements.

Canadian Solar Inc.
Consolidated Statements of Operations

(U.S. dollars in thousands, except share and per share data)	Years Ended December 31, 2023	2024	2025
Net revenues	$ 7,613,626	$ 5,993,409	$ 5,595,107
Cost of revenues	6,333,643	4,994,090	4,568,881
Gross profit	1,279,983	999,319	1,026,226
Operating expenses:			
Selling and distribution expenses	369,670	487,947	382,591
General and administrative expenses	440,488	515,204	581,807
Research and development expenses	100,844	120,792	90,685
Other operating income, net	(84,339)	(94,543)	(72,013)
Total operating expenses	826,663	1,029,400	983,070
Income (loss) from operations	453,320	(30,081)	43,156
Other income (expenses):			
Interest expense	(114,099)	(137,468)	(178,166)
Interest income	51,621	88,470	46,054
Loss on change in fair value of derivatives, net	(27,504)	(51,400)	(42,422)
Foreign exchange gain (loss), net	30,555	46,750	(16,751)
Investment income, net	14,632	1,427	7,390
Total other expenses	(44,795)	(52,221)	(183,895)
Income (loss) before income taxes and equity in earnings (losses) of affiliates	408,525	(82,302)	(140,739)
Income tax benefit (expense)	(59,501)	16,576	(14,149)
Equity in earnings (losses) of affiliates	14,610	(12,136)	(28,875)
Net income (loss)	363,634	(77,862)	(183,763)
Less: net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	89,447	(113,913)	(79,637)
Net income (loss) attributable to Canadian Solar Inc.	$ 274,187	$ 36,051	$ (104,126)
Earnings (loss) per share — basic	$ 4.19	$ 0.54	$ (2.50)
Shares used in computation — basic	65,375,084	66,616,400	67,368,537
Earnings (loss) per share — diluted	$ 3.87	$ 0.54	$ (2.50)
Shares used in computation — diluted	72,194,006	66,939,428	67,368,537

The accompanying notes are an integral part of these consolidated financial statements.

Canadian Solar Inc.
Consolidated Statements of Comprehensive Income (Loss)

(U.S. dollars in thousands)	Years Ended December 31, 2023	2024	2025
Net income (loss)	$ 363,634	$ (77,862)	$ (183,763)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment	8,141	(112,941)	141,031
Gain (loss) on changes in fair value of available-for-sale debt securities	(3,487)	2,223	363
Loss on interest rate swap	(1,124)	(1,569)	(3,726)
Share of gain (loss) on changes in fair value of interest rate swap of affiliate	11,264	693	(2,304)
Comprehensive income (loss)	378,428	(189,456)	(48,399)
Less: comprehensive income (loss) attributable to non-controlling interests and redeemable non-controlling interests	90,829	(145,860)	(59,383)
Comprehensive income (loss) attributable to Canadian Solar Inc.	$ 287,599	$ (43,596)	$ 10,984

The accompanying notes are an integral part of these consolidated financial statements.

Canadian Solar Inc.
Consolidated Statements of Changes in Redeemable Non-Controlling Interests and Equity

(U.S. dollars in thousands, except share data)	Redeemable Non-controlling Interests	Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Canadian Solar Inc. Shareholders' Equity	Non-Controlling Interests	Total Equity
	$	Amount	$	$	$	$	$	$	$
Balance as of December 31, 2022	—	64,506,055	835,543	1,127	1,275,520	(170,551)	1,941,639	365,055	2,306,694
Net income	—	—	—	—	274,187	—	274,187	89,447	363,634
Foreign currency translation adjustment	—	—	—	—	—	6,759	6,759	1,382	8,141
Share-based compensation	—	—	—	46,981	—	—	46,981	8,354	55,335
Subsidiary's shares under employee incentive plan	—	—	—	—	—	—	—	36,416	36,416
Exercise of RSUs	—	1,652,686	—	—	—	—	—	—	—
Subsidiary's equity offering [1]	—	—	—	244,629	—	38,395	283,024	644,873	927,897
Acquisition of non-controlling interest's ownership	—	—	—	—	—	—	—	(1,446)	(1,446)
Proceeds from non-controlling interests	—	—	—	—	—	—	—	5,910	5,910
Distributions to non-controlling interests	—	—	—	—	—	—	—	(3,990)	(3,990)
Change in fair value of available-for-sale debt securities	—	—	—	—	—	(3,487)	(3,487)	—	(3,487)
Change in fair value of interest rate swap	—	—	—	—	—	(1,124)	(1,124)	—	(1,124)
Share of change in fair value of interest rate swap of affiliates	—	—	—	—	—	11,264	11,264	—	11,264
Balance as of December 31, 2023	—	66,158,741	835,543	292,737	1,549,707	(118,744)	2,559,243	1,146,001	3,705,244
Net income (loss)	(132,475)	—	—	—	36,051	—	36,051	18,562	54,613
Foreign currency translation adjustment	—	—	—	—	—	(80,994)	(80,994)	(31,947)	(112,941)
Subsidiary's repurchase of its common shares	—	—	—	(55,730)	—	3,824	(51,906)	(27,676)	(79,582)
Subsidiary's issuance of redeemable preferred shares [2]	153,374	—	—	330,682	—	(1,812)	328,870	—	328,870
Capital contributions from tax equity investors in subsidiaries	226,935	—	—	—	—	—	—	—	—
Share-based compensation	—	—	—	21,404	—	—	21,404	—	21,404
Exercise of RSUs	—	795,893	—	—	—	—	—	—	—
Acquisition of non-controlling interest	—	—	—	1,485	—	—	1,485	(9,569)	(8,084)
Proceeds from non-controlling interests	—	—	—	—	—	—	—	18,707	18,707
Distribution to non-controlling interests	—	—	—	—	—	—	—	(27,609)	(27,609)
Change in fair value of available-for-sale debt securities	—	—	—	—	—	2,223	2,223	—	2,223
Change in fair value of interest rate swap	—	—	—	—	—	(1,569)	(1,569)	—	(1,569)
Share of change in fair value of interest rate swap of affiliates	—	—	—	—	—	693	693	—	693
Balance as of December 31, 2024	247,834	66,954,634	835,543	590,578	1,585,758	(196,379)	2,815,500	1,086,469	3,901,969
Net income (loss)	(122,565)	—	—	—	(104,126)	—	(104,126)	42,928	(61,198)
Foreign currency translation adjustment	—	—	—	—	—	120,777	120,777	20,254	141,031
Subsidiary's repurchase of its common shares	—	—	—	(52,479)	—	3,144	(49,335)	(20,800)	(70,135)
Capital contributions from tax equity investors in subsidiaries	207,669	—	—	—	—	—	—	—	—
Share-based compensation	—	—	—	30,822	—	—	30,822	—	30,822
Exercise of RSUs	—	855,502	—	—	—	—	—	—	—
Acquisition of non-controlling interest's ownership	—	—	—	—	—	—	—	11,499	11,499
Proceeds from non-controlling interests	—	—	—	—	—	—	—	15,385	15,385
Distribution to non-controlling interests	(6,379)	—	—	—	—	—	—	(20,637)	(20,637)
Change in fair value of available-for-sale debt securities	—	—	—	—	—	363	363	—	363
Change in fair value of interest rate swap	—	—	—	—	—	(3,726)	(3,726)	—	(3,726)
Share of change in fair value of interest rate swap of affiliates	—	—	—	—	—	(2,304)	(2,304)	—	(2,304)
Balance as of December 31, 2025	326,559	67,810,136	835,543	568,921	1,481,632	(78,125)	2,807,971	1,135,098	3,943,069

(1) 2023 IPO of CSI Solar Co., Ltd. See Note 1 for details.
(2) 2024 issuance of redeemable preferred shares by Recurrent Energy B.V. See Note 1 for details.

The accompanying notes are an integral part of these consolidated financial statements.

Canadian Solar Inc.
Consolidated Statements of Cash Flows

(U.S. dollars in thousands)	Years Ended December 31, 2023	2024	2025
Operating activities:			
Net income (loss)	$ 363,634	$ (77,862)	$ (183,763)
Adjustments to net income (loss):			
Depreciation and amortization	307,040	501,443	555,053
Write-down of inventories	113,079	151,957	74,013
Allowance for credit losses	12,014	39,060	(1,449)
Impairment loss of property, plant and equipment	5,938	65,285	54,015
Impairment loss of project assets	16,239	33,052	60,245
Impairment loss of solar power systems	—	21,400	11,063
Impairment loss of investments in affiliates	—	600	—
Share-based compensation	55,335	21,404	24,412
Deferred taxes	(17,908)	(98,205)	(71,903)
Loss on change in fair value of derivatives, net	27,504	51,400	42,422
Loss (gain) on change in fair value of other financial assets	(12,696)	590	(6,926)
Equity in losses (earnings) of affiliates	(14,610)	12,136	28,875
Non-cash operating lease expenses	18,844	35,893	51,995
Accretion of green bonds and convertible notes	2,145	3,413	4,381
Others	(2,206)	5,109	73,894
Changes in operating assets and liabilities:			
Accounts receivable trade	58,985	(221,479)	327,540
Accounts receivable, unbilled	(43,571)	(42,487)	(79,584)
Inventories	182,767	(312,522)	(110,403)
Project assets	(349,830)	(697,813)	(806,191)
Advances to suppliers	54,915	62,461	(86,214)
Accounts payable	13,115	268,207	(216,979)
Short-term notes payable	(590,418)	(221,218)	275,889
Advances from customers	59,383	(184,262)	(44,638)
Prepaid expenses and other current assets	(22,277)	(99,716)	(248,521)
Value added tax recoverable	(5,985)	(65,211)	(19,634)
Net settlement of derivatives	(39,133)	(49,134)	(50,860)
Other payables	169,944	90,841	4,670
Other liabilities	337,055	(104,328)	102,307
Others	(14,687)	(75,338)	(16,450)
Net cash provided by (used in) operating activities	$ 684,615	$ (885,324)	$ (252,741)

The accompanying notes are an integral part of these consolidated financial statements.

Canadian Solar Inc.
Consolidated Statements of Cash Flows (Continued)

(U.S. dollars in thousands)	Years Ended December 31, 2023	2024	2025
Investing activities:			
Purchase of property, plant and equipment and intangible assets	$ (1,116,461)	$ (1,112,834)	$ (962,254)
Purchase of solar power and battery energy storage systems	(408,999)	(757,577)	(429,192)
Investment in affiliates	(113,404)	(28,815)	(62,188)
Acquisition of subsidiaries, net of cash	(9,448)	(10,913)	(14,758)
Investment in bank time deposits and structured deposits	—	(64,650)	(119,494)
Proceeds from disposal of property, plant and equipment and right-of-use assets	—	—	46,582
Proceeds from disposal of solar power systems	—	—	45,506
Others	(23,104)	12,532	(7,692)
Net cash used in investing activities	(1,671,416)	(1,962,257)	(1,503,490)
Financing activities:			
Proceeds from short-term borrowings	1,566,240	1,774,846	1,137,040
Repayments of short-term borrowings	(1,603,571)	(1,550,809)	(2,465,557)
Proceeds from long-term borrowings	1,016,931	1,449,754	2,618,354
Net proceeds from issuance of convertible notes and green bonds	121,023	—	193,256
Repayment of convertible notes	—	—	(230,000)
Repayments of finance lease obligations	(39,801)	(72,211)	(48,036)
Proceeds from subsidiary's issuance of preferred shares	—	482,244	—
Capital contributions from tax equity investors in subsidiaries	—	226,935	207,669
Proceeds from subsidiary's offering of equity interests	927,897	—	—
Repurchase of shares by subsidiary	—	(79,582)	(70,135)
Distributions to non-controlling interests	(3,990)	(27,609)	(27,016)
Proceeds from sales-leaseback arrangements	91,648	56,057	—
Others	(23,549)	60,146	31,930
Net cash provided by financing activities	2,052,828	2,319,771	1,347,505
Effect of exchange rate changes	(89,098)	(154,601)	85,140
Net increase (decrease) in cash, cash equivalents and restricted cash	976,929	(682,411)	(323,586)
Cash, cash equivalents and restricted cash, beginning of year	1,969,503	2,946,432	2,264,021
Cash, cash equivalents and restricted cash, end of year	$ 2,946,432	$ 2,264,021	$ 1,940,435
Supplemental disclosure of cash flow information:			
Interest paid, net of amounts capitalized	$ 121,665	$ 130,964	$ 170,497
Income taxes paid, net of tax refunds	83,077	113,911	149,713
Supplemental schedule of non-cash activities:			
Reclassification of project assets to solar power and battery energy storage systems	119,067	312,773	—
Reclassification of inventories to solar power and battery energy storage systems	46,197	111,525	115,572
Borrowings assumed by third parties in connection with project asset sales	161,709	—	53,509
Property, plant and equipment costs included in other payables	$ 933,029	$ 478,573	$ 226,680

The following table reconciles cash, cash equivalents, and restricted cash on the balance sheets to the amounts shown in the statements of cash flows.

(U.S. dollars in thousands)	December 31, 2024	December 31, 2025
Cash and cash equivalents	$ 1,701,487	$ 1,370,418
Restricted cash — current	551,387	541,705
Restricted cash — non-current	11,147	28,312
Total cash, cash equivalents and restricted cash	$ 2,264,021	$ 1,940,435

The accompanying notes are an integral part of these consolidated financial statements.

Canadian Solar Inc.
Notes to Consolidated Financial Statements

All amounts in the Notes to Consolidated Financial Statements are in U.S. dollars in thousands, unless otherwise indicated.

1. Organization and Operations

Canadian Solar Inc. ("CSI") and its subsidiaries (collectively, the "Company") is one of the world's largest solar technology and renewable energy companies, a leading manufacturer of solar photovoltaic modules, a provider of battery energy storage solutions, and a developer of utility-scale solar power and battery energy storage projects. The Company is incorporated under the laws of Ontario, Canada and its shares are listed on NASDAQ under the symbol "CSIQ."

On December 1, 2025, the Company announced a strategic initiative to resume direct oversight of its U.S. operations. The Company formed a new joint venture with its majority-owned subsidiary, CSI Solar Co., Ltd. ("CSI Solar"), by holding a 75.1% controlling stake in CS PowerTech Inc. ("CS PowerTech"), which operates U.S.-based manufacturing and sales of solar modules, solar cells and advanced energy storage systems.

Following the consummation of this strategic initiative, the Company's business is organized into two segments:

- Manufacturing, comprising CS PowerTech, which focuses on manufacturing and sales of solar products, battery energy storage products, and other power technology products for the U.S. market, and CSI Solar, which serves all other global markets; and

- Recurrent Energy, which focuses on solar power and battery storage project development, asset sales, power services, and electricity revenue from its operating portfolio.

In 2020, the Company initiated the carve-out and initial public listing ("IPO") of CSI Solar. In June 2023, CSI Solar completed its IPO on the Science and Technology Innovation Board ("STAR Market") of the Shanghai Stock Exchange, raising net proceeds of RMB 6,628,683,000 ($927,897) after deducting offering expenses of RMB 277,929,000 ($38,995). In April 2024, CSI Solar launched a share repurchase program of RMB 500,000,000 up to RMB 1,000,000,000 ($70,416 up to $140,832) to reserve shares for future share-based awards. In 2025, 45,077,200 shares had been repurchased for RMB 500,608,600 ($71,222), reducing the non-controlling interest to 36.21%. As of December 31, 2025, the Company held 63.79% of the outstanding CSI Solar shares.

In January 2024, Canadian Solar Energy Group B.V. and Recurrent Energy B.V., subsidiaries of CSI, entered into a purchase and sale agreement with GRP IV UK Holdco Limited, managed by BlackRock's climate infrastructure business, for the issuance of Series A preferred shares of Recurrent Energy B.V. Following initial and subsequent closings in May and September 2024, respectively, BlackRock's total investment reached $500,000, before deducting issuance expenses of $17,756, and represented 20% of Recurrent Energy B.V. on a fully diluted, as-converted basis as determined immediately upon closing. See Note 26 for details.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

(b) Basis of consolidation

The consolidated financial statements include Canadian Solar Inc. and its subsidiaries where it holds a controlling financial interest or is the primary beneficiary of variable interest entities ("VIEs"). A controlling financial interest generally exists when the Company holds a majority voting interest in an entity, and the non-controlling shareholders or partners do not possess substantive participating or redemption rights, nor are there other conditions that would indicate the Company does not have control. Non-controlling interests in consolidated subsidiaries are reported as equity, unless redeemable outside the Company's control, in which case they are classified as temporary equity. The strategic initiative disclosed in Note 1 is a transaction involving entities under common control.

The Company consolidates VIEs in which it is the primary beneficiary, with both power to direct the day-to-day operating activities that most significantly impact the VIE's performance and the obligation to absorb losses or receive benefits that could potentially be significant. Consolidated VIEs include tax equity partnerships and similar structures where the Company, through its subsidiaries, acts as the managing member and controls day-to-day operations, silent partnerships and bankruptcy-remote structures used to hold project companies in Japan, where the Company does not hold a majority equity interest but is entitled to substantially all economic benefits and controls key operational decisions through asset management agreements. The obligations of these consolidated VIEs are non - recourse to the Company, except where contractual liquidity support or guarantee exists. Required contributions were made during the years ended December 31, 2024 and 2025 in accordance with the respective operating agreements.

Certain solar power and battery energy storage project companies of Recurrent Energy B.V. in the U.S. have issued Class A membership interests to third-party investors. Under the terms of these tax equity partnership arrangements, the investors are generally entitled to substantially all of the accelerated depreciation tax deductions and investment tax credits ("ITCs") associated with the projects, together with a portion of the distributable cash, until a specified flip date, after which the majority of economics shift to Recurrent Energy B.V. These interests are redeemable and classified as temporary equity. As a result, the income tax benefit from the ITC and accelerated depreciation is reflected in the Company's consolidated financial statements through the income and loss allocations to the redeemable non-controlling interests representing the tax equity investors' share in the consolidated project companies. The allocation of income or loss to these interests is performed using the Hypothetical Liquidation at Book Value ("HLBV") method. Under HLBV, the income or loss attributable to redeemable non-controlling interests reflects the changes in the amounts that tax equity investors would hypothetically receive upon liquidation of the applicable partnerships at the beginning and end of each reporting period, after considering any capital transactions, such as contributions or distributions, between these project companies and the tax equity investors. The hypothetical liquidation assumptions are periodically reviewed to reflect significant events or changes in circumstances that could affect the distribution or liquidation priorities, including changes in expected flip dates, anticipated tax equity partnership period, or other events that may alter the expected duration and future cash flows of the partnership and its underlying project assets.

Assets and liabilities of consolidated VIEs are disclosed separately if creditors do not have recourse to the Company, except where a financial guarantee exists. See Note 10 for details. As of December 31, 2024 and 2025, the Company guaranteed VIE obligations of $87,436 and $17,763, respectively.

Intercompany balances and transactions are eliminated upon consolidation.

(c) Use of estimates

Preparation of consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period and the disclosure of contingent assets and liabilities at the balance sheet date. Significant estimates include revenue recognition (including identification of performance obligations, determination and allocation of transaction price, use of the percentage-of-completion method, and estimates of variable consideration and total costs), allowance for credit losses, inventory valuation, asset impairments and useful lives, provisions for contingent liabilities, warranty accruals, fair value estimates of financial instruments and derivatives, deferred taxes, uncertain tax positions and income or loss allocations using the HLBV method and the redemption value of temporary equity instruments. Actual results may differ from these estimates.

(d) Cash, cash equivalents and restricted cash

Cash and cash equivalents are stated at cost, which approximates fair value, and includes cash on hand, demand deposits and money market funds that are unrestricted and have original maturities of three months or less when acquired. Restricted cash represents amounts held by banks as security for short-term notes payable, letters of guarantee, letters of credit or bank borrowings. These amounts are unavailable for general use until the related obligations mature or are repaid, at which point the funds become unrestricted.

(e) Contract assets and liabilities

Accounts receivable, unbilled represents a contract asset for revenue recognized prior to billing the customer. The Company uses a cost-based input method to recognize revenue from turnkey battery energy storage solutions and EPC services when revenue recognition criteria are met. Once billing criteria are satisfied, typically structured around construction milestones, and the right to consideration becomes unconditional, the Company bills the customer and reclassifies the unbilled amount to trade accounts receivable.

Advances from customers, including deposits for inventory purchases, are recorded as contract liabilities and recognized as revenue when the related performance obligations are satisfied.

(f) Allowance for credit losses

Trade accounts receivable, advances to suppliers, warranty insurance receivables, and other receivables are presented net of allowances for credit losses. Current expected credit losses ("CECL") are estimated based on external and internal credit ratings, historical loss rates, and other relevant factors. Where individual credit risk evidence is not available, financial instruments are grouped by aging, size, industry, and other shared risk characteristics.

To mitigate credit risk, the Company obtains credit insurance for certain trade receivables. An allowance is recorded based on historical collection experience, receivable aging, and other available evidence, regardless of insurance coverage. When a claim is made, a receivable is recorded equal to the expected recovery, up to the specific allowance amount, with a corresponding reduction in general and administrative expenses. Receivables from insurers included in prepaid expenses and other current assets were $6,881 and $18,424 as of December 31, 2024 and 2025, respectively.

(g) Advances to suppliers

Prepayments to suppliers are recorded as advances. Amounts expected to be utilized within one year are classified as current assets and those expected to be utilized beyond one year are classified as non-current assets.

(h) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted-average method. Inventory costs include direct materials such as high - purity polysilicon, ingots, wafers, silver-based metallic pastes, glass, metal frames, ethylene vinyl acetate, junction boxes, polymer back sheets, lithium iron phosphate battery cells, inverters, trackers, mounting hardware, and grid interconnection equipment. Applicable direct labor, tolling, and overhead costs incurred to bring inventories to their present location and condition are also included.

When indicators suggest that inventory carrying amounts may not be recoverable, such as obsolescence, damage, declining market prices, and reduced demand forecasts, the Company records inventory write-downs to net realizable value.

(i) Project assets

Project assets primarily consist of capitalized development and construction costs for solar power and battery energy storage assets intended for sale. These costs include pipeline and land acquisition, permitting, consulting, legal, grid and network connection, civil works, and equipment installation (including solar modules, lithium battery energy storage systems, inverters, energy stations, and power plant controllers), as well as interest, amortized deferred financing costs and capitalized indirect project costs.

Solar power and battery energy storage projects are classified as project assets unless the Company intends to retain and operate them to generate electricity or storage revenue, in which case they are classified as solar power and battery energy storage systems. In accordance with ASC 970, expenditures incurred during development phase are capitalized. These expenditures are classified as operating or investing activities in the consolidated statement of cash flows, depending on whether the assets are held for sale or for use. Project assets are typically held in separate legal entities or VIEs, referred to as "project companies," and are consolidated in accordance with Note 2(b). Project assets are generally classified as non-current assets unless their sale is expected within one year, in which case they are presented as current.

Impairment testing is performed when events or changes in circumstances indicate carrying amounts may not be recoverable. A fully developed or constructed project is considered recoverable if it is expected to be sold for a profit. Otherwise, recoverability is assessed by comparing the anticipated net selling price to the carrying amount. Impairments are generally recorded if changes in environmental, regulatory, interconnection, capital cost, or market conditions adversely affect recoverability. Impairments are recognized within cost of revenues in the consolidated statements of operations.

Project assets are not depreciated. Any incidental revenue generated is accounted for as a reduction of the capitalized costs. If the Company later decides to retain the project for long-term operation, the asset is reclassified to solar power and battery energy storage systems at the lower of its carrying value adjusted for depreciation that would have been recognized had the asset been continuously classified as held for use, or its fair value at the date of reclassification.

(j) Business combination

Business combinations are accounted for using the acquisition method. Assets and liabilities assumed are recorded at their fair value as of the acquisition date. Any excess of the purchase consideration over the fair value of the net assets, including identifiable intangible assets, is recorded as goodwill. Acquisition-related costs not included in the purchase price, including legal, accounting, and other professional fees, and integration costs, are expensed as incurred within general and administrative expenses. Adjustments to provisional amounts are recognized as additional information becomes available regarding facts and circumstances that existed as of acquisition date. The measurement period ends when the Company obtains sufficient information to finalize fair value measurements, but no later than one year from the acquisition date. In 2025, the Company completed acquisitions that were not individually or in the aggregate material to its consolidated financial position, results of operations or cash flows.

(k) Asset acquisitions

When the assets acquired and liabilities assumed do not constitute a business, the transaction is accounted for as an asset acquisition. The consideration transferred, including transaction costs, is allocated to the acquired assets and assumed liabilities based on their relative fair values. Goodwill is not recognized, and no gain or loss is recorded unless the fair value of non-cash consideration differs from the carrying amount of the net assets acquired. If non-cash consideration is involved, it is measured at either the fair value of the net assets transferred or net assets acquired, whichever is more clearly evident and reliably measurable.

(l) Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation. Cost comprises the purchase price and any directly attributable costs, including interest capitalized during the period in which the asset is brought to the condition and location for its intended use. Costs incurred in constructing new facilities, including progress payments and related expenditures, are capitalized and transferred to property, plant and equipment upon completion. Repair and maintenance costs are expensed as incurred.

Depreciation commences when the asset is placed into service. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Buildings are depreciated over 10 to 20 years. Leasehold improvements are depreciated over the shorter of the lease term or their estimated useful lives. Machinery and equipment are depreciated over 5 to 10 years. Furniture, fixtures, office equipment and motor vehicles are depreciated over 5 years. If property, plant and equipment placed into service are temporarily idled, the Company continues to record depreciation during the idle period. The estimated useful life of idled assets is reassessed and adjusted as necessary to reflect changes in expected usage.

(m) Solar power and battery energy storage systems

Solar power and battery energy storage systems comprise utility-scale facilities that the Company intends to hold for use. These systems are stated at cost, less accumulated depreciation. Cost comprises direct expenditures incurred during various stages of development prior to the commencement of operations. For self-developed solar power or battery energy storage systems, capitalized costs include expenditures related to power purchase agreements (“PPA”) or battery tolling agreements, application for performance-based energy incentives, permits, construction and equipment costs, land acquisition, capitalized interest, and other associated development costs. Expenditures for major additions and improvements are capitalized, while minor replacements, maintenance, and repairs are expensed as incurred. Upon retirement or disposal of a solar power and battery energy storage system, the cost and related accumulated depreciation are removed from the balance sheet, and any resulting gain or loss is recorded in the results of operations.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Solar power systems are depreciated over a period of up to 35 years, while battery energy storage systems are depreciated over a period of up to 25 years. The Company regularly reviews the estimated useful lives of its solar power and battery energy storage systems. In 2024, based on internal analysis and market data reflecting advancements in solar technology, the Company determined that the actual service lives of certain solar power systems exceeded previous estimates. As a result, the Company revised the estimated useful life of its solar power systems from 30 years to 35 years and applied the change prospectively as a change in accounting estimate. This change does not apply to solar power systems subject to PPAs with term shorter than 35 years, where a transfer of ownership to the offtaker is expected at the end of the PPA term. In such cases, the useful life is aligned with the expected transfer date.

(n) Intangible assets

Intangible assets consist of customer-related intangible assets, including customer relationships and backlog, trademarks, technical know-how, and computer software purchased from third parties. These assets are recorded at fair value at the time of acquisition and are subsequently stated net of accumulated amortization, using the straight-line method over their estimated useful lives. Customer-related intangible assets are amortized over periods ranging from 7 to 20 years, trademarks are amortized over 20 years, technical know-how is amortized over 10 years, and computer software is amortized over periods ranging from 3 to 10 years.

(o) Land use rights

Land use rights are accounted for as operating leases in accordance with ASC 842. Amounts paid for land use rights are recorded as operating lease right-of-use ("ROU") assets on the balance sheets. These amounts are expensed on a straight-line basis over the relevant periods, which are generally 50 years.

(p) Investments in affiliates

Investments in affiliates are accounted for using the equity method. Investments are initially recorded at historical cost and subsequently adjusted for the Company's share of the investee's profits or losses and other required equity method adjustments. Dividends received are recorded as reductions in the carrying amount of the investments. The portion of earnings considered as a return on capital is recognized accordingly, while any excess is treated as a return of capital.

Investments are evaluated for impairment when events or changes in circumstances indicate that the fair value may be less than the carrying amount. An impairment is recognized when the decline in fair value is determined to be other than temporary. In assessing whether a loss is other than temporary, the Company considers several factors, including the nature of the investment, the cause and duration of the impairment, the extent to which fair value is less than cost, the financial condition and near-term prospects of the investee, and the Company's ability to hold the investment for a sufficient period to allow for recovery. For the years ended December 31, 2023, 2024 and 2025, the Company did not record any material impairment charges on its investments in affiliates.

(q) Impairment of long-lived assets

Long-lived assets, including property, plant and equipment, non-current project assets, solar power and battery energy storage systems, and intangible assets, are reviewed for impairment whenever indicators of impairment are identified. For impairment testing, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent. When indicators of impairment exist, the Company compares the asset group's carrying amount to the sum of expected undiscounted future cash flows, including the estimated disposal value. If the sum of those cash flows is less than the carrying amount, the asset group is considered not recoverable, and the excess of carrying value over fair value is recognized as an impairment loss. Fair value is generally determined using quoted market prices, if available, or discounted cash flow analysis. The assessment also considers changes in asset group utilization, including temporarily idled capacity, the expected timing of placing this capacity back into production, capital investments, inflation, the terms of new or anticipated PPAs, eligibility for tax incentives, and long-term electricity and power price forecasts.

(r) Interest capitalization

The Company capitalizes interest costs that are directly attributable to the acquisition, development, or construction of certain assets during the period required to prepare the asset for its intended use or sale. Interest is capitalized when expenditures to acquire, construct, or develop an asset have been made and interest has been incurred. For property, plant and equipment, and solar power and battery energy storage systems, capitalized interest cost is depreciated over the asset's estimated useful life once placed in service. For project assets, capitalized interest is included in cost of revenues when sold. Capitalization ceases when the project is substantially complete or when construction activities necessary to prepare it for its intended use are no longer in progress.

(s) Short-term notes payable

In certain jurisdiction, the Company enters into arrangements with banks whereby the banks issue notes to the Company's materials and equipment vendors, effectively extending the payment terms of the related accounts payable. Vendors may present these notes to a bank, including the issuing bank, prior to the stated maturity date, generally at a discount to face value. The Company is typically required to maintain restricted cash deposits with the issuing banks, which are used to immediately repay the bank upon settlement of the notes. Given that the purpose of these arrangements is to extend the payment terms to suppliers, the Company records such amounts as short-term notes payable. Because the bank settlements are immediately repaid using the Company's restricted cash and other deposits held at the same banks, the notes payable do not represent cash borrowings. As of December 31, 2024 and 2025, short-term notes payable totaled $637,512 and $939,549, respectively.

(t) Assets retirement obligation

In certain jurisdictions or under specific land lease agreements, the Company is required to remove its solar power and battery energy storage systems upon decommissioning. A liability for asset retirement obligation ("ARO") is recognized at fair value in the period the obligation is incurred and can be reasonably estimated. The corresponding asset retirement cost is capitalized as part of the related long-lived asset. The liability is accreted over time to its expected future value, and the capitalized cost is depreciated over the asset's useful life, or over the lease term if shorter. Upon settlement of the obligation, the liability is derecognized, and any difference between recorded amount and actual costs incurred is recognized as a gain or loss. ARO liabilities included in solar power and battery energy storage systems were $5,811 and $6,489 as of December 31, 2024 and 2025, respectively.

(u) Leases

The Company determines whether an arrangement contains a lease at inception based on the applicable facts and circumstances. Operating leases are recorded as right-of-use ("ROU") assets and operating lease liabilities, while finance leases are included in property, plant and equipment and corresponding liabilities on the balance sheets. ROU assets represent the right to use an underlying asset for the lease term, while lease liabilities represent the obligation to make future lease payments. ROU assets and lease liabilities are measured as the present value of lease payments not yet paid, discounted using the rate implicit in the lease, if readily determinable. If the implicit rate is not readily available, the Company uses its incremental borrowing rate, based on information available at lease commencement. Lease payments exclude variable components, which are expensed when incurred. Operating lease ROU assets include lease prepayments, initial direct costs, and deferred rent, if applicable, and exclude lease incentives. Lease option to extend or terminate is included in the lease term only when it is reasonably certain the option will be exercised. Lease expenses for operating leases are recognized on a straight-line basis over the lease term. For finance leases, asset amortization is recognized over the shorter of the lease term or useful life within depreciation expense, and interest, including variable payments, is recognized in interest expense, in the consolidated statements of operations.

For sales-type leases related to battery energy storage systems, the book value of the leased assets is removed from the balance sheet and a net investment in sales-type lease is recognized at lease commencement. The net investment represents the present value of fixed payments under the tolling agreement and the estimated unguaranteed residual value of the battery energy storage systems at the end of the lease term, discounted using the rate implicit in the lease. The estimated unguaranteed residual value represents the estimated fair value of the battery energy storage systems at the end of the lease. The Company estimates the residual value of the battery energy storage systems by obtaining forward-looking product information such as expected technological performance and planned augmentation of battery storage capacity over the operating life. The net investment in sales-type lease is included in current and non-current other assets on the balance sheets. Interest income on the net investment in sales-type lease is recognized over the lease term in a manner that produces a constant rate of return on the net investment in the sales-type lease.

Short-term leases with initial terms of 12 months or less and no extension or purchase option reasonably certain to be exercised are not recorded on the balance sheets, and instead related lease payments are recognized on a straight-line basis over the lease term. Lease liabilities due within one year are classified as current liabilities. The Company's leases do not include material residual value guarantees or restrictive covenants.

The Company reviews ROU assets for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If the undiscounted cash flows expected from the use and eventual disposition of the asset are less than its carrying amount, an impairment loss is recognized in the consolidated statements of operations for the difference between the carrying amount and asset's fair value.

(v) Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and similar matters are recognized when it is probable that a liability has been incurred and the amount can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but not reasonably estimable, the nature of the contingency, and if determinable, an estimate of the possible loss or range of loss is disclosed. The Company may be exposed to certain liabilities related to its business operations, including various international trade proceedings, government actions and ongoing patent litigations. The Company makes these assessments based on facts and circumstances that may change in the future resulting in additional expenses. See Note 20 for details. Legal costs associated with such contingencies are expensed as incurred.

(w) Income taxes

Deferred income taxes are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities, and for net tax operating loss carryforwards and tax credits, using enacted tax rates expected to apply when the deferred tax assets or liabilities are realized or settled. A valuation allowance is established to reduce the deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized.

Income tax expense includes current tax expense, which represents amounts payable to or receivable from taxing authorities; deferred tax expense, which reflects changes in deferred tax assets and liabilities, including changes in valuation allowances; and non-current tax expense, which arises from changes in uncertain tax positions not settled with cash or other tax attributes.

The Company only recognizes tax benefits related to uncertain tax positions when such positions are more likely than not of being sustained upon examination. For such positions, the amount of tax benefit that the Company recognizes is the largest amount of tax benefit that is more than fifty percent likely of being sustained upon the ultimate settlement of such uncertain tax position. The Company records penalties and interests associated with the uncertain tax positions as a component of income tax expense.

The Company applies the flow-through method for ITCs related to energy project placed into service. Under this method, ITCs that are not part of a transaction with a tax equity investor are recognized as a reduction to income tax expense in the period in which the credit arises. This approach results in a basis difference between the tax and book value of the related asset, giving rise to a deferred tax liability, which is accounted for using the income statement method. For ITCs monetized through tax equity financing structures, the Company applies guidance under ASC 740 and ASC 810, as applicable, based on the structure and associated accounting model used for the tax equity partnership. Production Tax Credits ("PTCs") are recognized as solar energy is generated and sold, based on applicable statutory rates, and reduce current income taxes payable or are recorded as deferred tax assets if utilization is limited.

(x) Revenue recognition

The Company recognizes revenue when it satisfies a performance obligation by transferring a promised good or service to the customer. Revenue is presented net of sales, value-added, and similar taxes, and estimated returns.

Solar power products

Revenue from solar modules, system kits, inverters, and related components is recognized at a point in time when the customers obtain control of the products, typically upon shipment or delivery, depending on the contract terms. Sales agreements generally include only assurance-type customary product warranties and do not include significant post-shipment obligations. Shipping and handling charges are included in revenue when billed. If collectability is not probable at the time of delivery, revenue is deferred and the products remain in inventory until collectability becomes probable.

Battery energy storage solutions and EPC services

Revenue from battery energy storage products is recognized at a point in time when customers obtain control of the products, typically upon shipment or delivery, depending on the contract terms.

Revenue from the delivery of turnkey battery energy storage solutions and EPC services is recognized over time based on estimated progress toward completion using a cost-based input method. Customer advances received for these solutions are recorded as deferred revenue on the balance sheets and subsequently recognized as revenue over time, based on the estimated progress to completion.

In applying the cost-based input method of revenue recognition, the Company measures progress towards contract completion based on actual costs incurred relative to total estimated contract costs. This method requires the Company to make significant estimates and judgments of total contract revenues and costs, including the impact of performance incentives, liquidated damages, and other variable payments. If at any point estimated total contract costs exceed total estimated revenues, the full amount of the expected loss is recognized immediately in the period the loss becomes known. Revisions to estimates of revenues or costs, including changes in contract scope or performance expectations, are recognized in the period in which the revisions are identified and are reflected as cumulative adjustments to revenue. For contracts that include variable consideration, the Company estimates the amount of consideration it expects to receive using either the most likely amount method or the expected value method, depending on which approach better predicts the amount of consideration to which it will be entitled. Variable consideration is included in the transaction price to the extent that it is probable that a significant reversal of revenue will not occur. The contracts do not contain significant financing component.

Revenue for long-term service contracts, such as those covering capacity guarantees, operating system performance, or battery augmentation, is recognized separately when the performance obligation is distinct. A performance obligation is considered distinct if the customer can benefit from the good or service either on its own or together with other readily available resources, and if the promise to transfer the good or service is separately identifiable within the context of the contract. The Company allocates the transaction price to each performance obligation based on relative standalone selling prices. These are determined using observables prices when available or estimated using judgment, taking into account market conditions, entity-specific factors, and customer-specific information.

Solar power and battery energy storage asset sales

Revenue from the sale of solar power and battery energy storage assets is recognized at a point in time when the customer obtains control of the asset. If the Company retains a non-controlling interest in the project, it recognizes the full amount of the consideration received as revenue, including the fair value of the retained interest, and defers any profit associated with that interest. These projects are typically held in separate legal entities, partnerships, trusts, or investment funds formed for the sole purpose of developing and constructing the assets, which the Company refers to as “project companies.” The Company applies ASC 810 to assess whether deconsolidation of a project company is appropriate upon the sale of equity interests. If deconsolidated, ASC 606 is then applied to evaluate performance obligations, determine transaction price, including variable consideration, and recognize revenue accordingly.

Power services

Revenue from power services, primarily Operations and Maintenance (“O&M”), is recognized over time, when the customer receives and consumes the benefits of the Company’s performance. Revenue is recognized based on the work completed to date that does not require significant re-performance, and related costs are expensed when incurred.

Electricity and battery energy storage operations

Revenue from electricity and battery energy storage operations is primarily generated from long-term PPAs, virtual power purchase agreements ("VPPAs"), tolling agreements, and performance-based energy incentives. Under PPAs, revenue is recognized when electricity is generated and delivered to the grid at the contractually stated prices. Performance-based energy incentives are recognized when conditions are met and collection is reasonably assured. For the years ended December 31, 2023, 2024 and 2025, the Company recognized $2,772, $2,542 and $2,010, respectively, from such incentives.

Revenue from uncontracted solar power projects and battery energy storage systems operating, in whole or in part, under merchant power pricing is recognized as revenue when the electricity or ancillary services are transferred to the market operator. Merchant projects earn revenue based on prevailing market prices or compensation for services such as frequency regulation or demand response. Revenue is recognized at the point of delivery, when performance obligations are satisfied and pricing is determinable.

The Company evaluates offtake contracts, including PPAs, VPPAs, tolling agreements, and long-term contracts, to determine whether they represent leases. If the customer is deemed to assume the principal risks and rewards of ownership, the arrangement is classified as a finance lease. In such cases, the Company derecognizes the assets and recognizes a finance lease receivable measured as the present value of future lease payments. Income is recognized over time using a constant rate of return. If the Company retains the principal risks and rewards of ownership, the arrangement is classified as an operating lease. The asset remains capitalized, and lease revenue is recognized either on a straight-line basis for the fixed payments or as contingent rent for variable payments linked to output.

The Company's electricity revenue was as follows:

	Years Ended December 31,		
	2023	2024	2025
Electricity revenue by segment:			
Manufacturing	$ 3,273	$ 5,697	$ 12,869
Recurrent Energy	44,842	83,473	124,762
Total	$ 48,115	$ 89,170	$ 137,631

Certain PPAs are accounted for as operating leases, with revenue recognized as contingent rental revenue upon electricity delivery. Such revenue under ASC 842 totaled $4,434, $3,987 and $3,619 for the years ended December 31, 2023, 2024 and 2025, respectively. The remaining amounts of $43,681, $85,183 and $134,012 for the same periods, including performance-based energy incentives, was recognized in accordance with ASC 606. No finance lease revenue was recognized during these periods. The Company's fixed-priced VPPAs are financially settled on a monthly basis. The Company concluded that its VPPA contracts do not meet the definition of a derivative under ASC 815, as they do not contain a notional amount.

Disaggregation of Revenue

Revenue from contracts with customers for the years ended December 31, 2023, 2024 and 2025 is disaggregated by timing of revenue recognition and segment. See Note 21 for additional details of revenues by product or service, and geographic location.

The following table presents revenue recognized at a point in time or over time:

	Years Ended December 31,		
	2023	2024	2025
Manufacturing:			
Revenue recognized at a point in time	$ 6,767,156	$ 4,810,787	$ 3,872,848
Revenue recognized over time	348,817	864,590	1,327,924
Recurrent Energy:			
Revenue recognized at a point in time	399,826	156,746	175,987
Revenue recognized over time	97,827	161,286	218,348
Total	$ 7,613,626	$ 5,993,409	$ 5,595,107

For the years ended December 31, 2024 and 2025, $645,727 and $412,961 of revenue, respectively, were recognized from contract liabilities outstanding as of January 1, 2024 and 2025. Contract liabilities of $456,108 as of December 31, 2025 are expected to be recognized within one year.

The contract assets and liabilities were as follows:

	December 31, 2024	December 31, 2025
Contract Assets		
Accounts receivable, unbilled	$ 142,603	$ 228,393
Contract Liabilities		
Advances from customers	204,826	162,586
Other current liabilities	212,452	293,522
Other non-current liabilities	41,337	18,627
Total	$ 458,615	$ 474,735

As of December 31, 2024 and 2025, current advances from customers totaled $204,826 and $162,586, respectively, and non-current advances totaled $41,337 and $18,627, respectively. These amounts are classified as current or non-current liabilities based on the expected timing of performance.

The Company applies the portfolio approach as a practical expedient for contracts or performance obligations with similar characteristics. The Company does not expect that the effects on the financial statements of applying the revenue recognition guidance to the portfolio would differ materially from applying the guidance to the individual contracts or performance obligations within that portfolio. The Company does not assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract. When revenue is recognized for a performance obligation that includes such immaterial items before they are transferred to the customer, the related costs to transfer those items are accrued. The Company does not disclose the value of remaining performance obligations for contracts with an original expected duration of one year or less, and contracts where revenue is recognized in the amount to which the Company has a right to invoice. Revenue recognized in years ended December 31, 2023, 2024 and 2025 from performance obligations satisfied in prior periods were insignificant. Incremental costs of obtaining a contract are generally expensed in operating expense as incurred because the amortization period would be less than one year. Costs associated with contracts exceeding one year are not material.

(y) Shipping and handling

Amounts billed to customers for shipping and handling are included in net revenues. Related costs are generally included in selling and distribution expenses, and totaled $237,947, $330,909 and $233,039 for the years ended December 31, 2023, 2024 and 2025, respectively.

(z) Research and development

Research and development costs, including design, development, testing and product enhancements, are expensed when incurred.

(aa) Other operating income, net

Other operating income, net primarily includes gains and losses on the disposal of property, plant and equipment, solar power and battery energy storage systems, and government grants. For the years ended December 31, 2023, 2024 and 2025, the Company recorded net gains of $5,342, net loss of $896 and net loss of $5,213, respectively, on the disposal of property, plant and equipment.

Government grants include both unrestricted and restricted grants and subsidies. Unrestricted grants, which provide the Company with full discretion over the use of funds, are recognized when it is probable that all the conditions stipulated by governments, generally related to operating a business within a government's jurisdiction and complying with specific policies promoted by the governments, have been satisfied. Restricted grants related to ROU assets, property, plants and equipment, and certain projects are recorded as deferred subsidies within other non-current liabilities and are amortized on a straight-line basis over the useful life of the related assets. In most cases, the conditions attached to such grants pertain to specific performance or time-based requirements, such as the construction or acquisition of property, plant and equipment, achievement of business development milestones, technological innovation, or human capital development. These conditions may be subject to review, audit and approval by the government authorities and, therefore, the actual amounts realized may differ from the amounts initially recorded. As of December 31, 2025, deferred government grants included in other non-current liabilities amounted to $150,119. The Company qualifies for refundable or transferable tax credits under Section 45X of the Internal Revenue Code for eligible solar modules and components manufactured in the United States and sold to third parties. These credits are treated as income-based grants and recognized as reduction to cost of revenues related to the activities that generated the benefit, when there is reasonable assurance that the Company will comply with the eligibility criteria and receive the credits, and are excluded from income taxes.

(ab) Product warranties and performance guarantees

The Company provides warranties and performance guarantees on its solar products, battery energy storage products, and EPC services. For its solar modules, the Company offers a defects in materials and workmanship warranty of up to 25 years and a performance guarantee against power degradation for periods of up to 30 years, depending on the module type and warranty terms.

The Company maintains warranty reserves based on its own and industry claim history, accelerated testing, failure rate estimates, and other reasonable assumptions. The warranty provision is typically 1% of revenue from solar module sales. Actual warranty claims are charged against the accrued warranty liability, and the accrual rate is revised prospectively if needed. For battery energy storage systems, the Company provides a standard assurance-type warranty covering performance and manufacturing defects, generally for one to five years, with separately sold extended warranties of up to 15 years, accounted for as separate performance obligations. Warranty reserves are accrued upon revenue recognition and evaluated continuously based on claims history, field monitoring, vendor data, reliability estimates, and industry benchmarks. The Company also obtains vendor and supplier warranties to back up a portion of its warranty obligations. For contracts that include performance guarantees and long-term service agreements, liquidated damages may apply if performance thresholds are not met.

In EPC contracts, the Company offers a limited workmanship or balance of system warranty against defects in engineering design, installation and construction under normal use, operation and service conditions, typically for two years post energization of the project. Claims under these warranties may be remedied through repair, refurbishment or replacement. The Company may enter into similar workmanship warranties from key subcontractors and suppliers.

The Company maintains insurance policies with a group of insurers to back up a portion of its warranty obligations. Under these policies, the insurers are obliged, subject to certain maximum claim limits and deductibles, to reimburse the Company for actual warranty costs incurred in accordance with the terms of its product warranties. Insurance premiums are recorded as prepaid expenses and amortized over the coverage period. The Company considers insured losses related to defective products shipped to customers as analogous to incurred but not reported claims. Accordingly, the Company recognizes an insurance receivable for the portion of incurred warranty losses that are probable of recovery, not to exceed the warranty costs, in accordance with ASC 410. As of December 31, 2024 and 2025, non-current insurance receivables were $56,000 and $47,203, respectively. Insurance receivable is evaluated for recoverability based on insurer credit quality, insurance policy terms, and written communications of claim acceptance. There can be no absolute assurance that the Company will collect all amounts recorded as probable of recovery from the insurers. To the extent that uncertainties arise regarding the solvency of insurance carriers or the legal sufficiency of claims (including if they became subject to litigation) were to arise, the Company will establish a provision for uncollectible amounts based on specific facts and circumstances, and the measurement of expected credit losses. Actual insurance recoveries could differ significantly from amounts currently estimated.

Warranty obligation and insurance receivables are presented gross on the balance sheets. The insurance receivable is classified as a non-current asset to the extent it aligns with the long-term nature of the related warranty obligation, with the portion expected to be collected within one year presented as a current receivable. The Company made upward adjustments of $32,019 to its accrued warranty liability for the year ended December 31, 2025 to reflect the net effect of an increase in average selling prices of solar modules and an increase in shipment volumes, which are two primary inputs into the estimated warranty costs. See Note 14 for accrued warranty costs included in cost of revenues.

(ac) Foreign currency translation

The Company uses the United States dollars ("U.S. dollars" or "$") as its functional and reporting currency. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the balance sheet date. Transactions in foreign currencies are translated at the exchange rates prevailing on the transaction dates. Resulting transaction gains and losses are recognized in the consolidated statements of operations. Gains and losses on foreign currency transactions between consolidated entities that are of a long-term-investment nature, that is, settlement is not planned or anticipated in the foreseeable future, are not recognized in the consolidated statements of operations, but are recorded in other comprehensive income or loss. For subsidiaries that use a local currency as their functional currency, assets and liabilities are translated at exchange rates at the balance sheet date, equity accounts are translated at historical exchange rates, and revenues, expenses, gains and losses are translated at average rates for the period. Resulting translation adjustments are reported as foreign currency translation adjustments and are presented as a separate component of other comprehensive income or loss in the consolidated statements of comprehensive income (loss).

(ad) Comprehensive income (loss)

Comprehensive income (loss) includes all changes in redeemable non-controlling interests and equity, other than those resulting from investments by or distributions to owners. For the periods presented, total comprehensive income (loss) comprises net income (loss), foreign currency translation adjustments, including gains and losses on foreign currency transactions between consolidated entities that are of a long-term-investment nature, unrealized gains or losses (effective portion) and de-recognition of derivative instruments designated as cash flow hedges, and unrealized gains and losses on available-for-sale debt securities.

(ae) Derivatives and foreign currency risk

The Company generates revenues, incurs expenses, holds cash and enters into financing arrangements in multiple currencies. These activities expose the Company to foreign currency risk, which may result in exchange gains or losses due to fluctuations in currency exchange rates. The Company is particularly exposed to foreign currency movements in countries where it has significant manufacturing, sourcing, or financing activities. To mitigate a portion of this risk, the Company uses foreign currency forward or option contracts as part of its hedging plan. These derivative instruments are accounted for in accordance with ASC 815, and changes in fair value that are not designated as hedges are recognized in the consolidated statements of operations within gain or loss on change in fair value of derivatives, net. The fair value of derivatives is determined using observable market inputs, including forward exchange rates. Fair value measurements are adjusted, as necessary, to reflect counterparty credit risk and the Company's own nonperformance risk. Realized gains or losses on derivative settlements are classified within operating activities in the consolidated statements of cash flows, consistent with the nature of the economically hedged item. For derivatives designated as cash flow hedges, the Company formally establishes and maintains the hedging relationship, including the related risk management objective, at inception. The effective portion of changes in fair value is recorded in other comprehensive income (loss), net of tax and subsequently reclassified into earnings in the same period the hedged item impacts the income statement.

(af) Concentration of credit risk

Financial instruments that potentially expose the Company to concentrations of credit risk primarily include cash and cash equivalents, restricted cash, accounts receivable, advances to suppliers, and amounts due from related parties. All of the Company's cash and cash equivalents are held with financial institutions of high credit quality. The Company performs credit evaluations of its customers and generally does not require collateral. An allowance for credit losses is recorded based on the age of receivables and specific credit factors. Advances to suppliers, primarily for raw materials and manufacturing equipment, are generally unsecured. The Company conducts ongoing evaluations of suppliers' financial conditions and maintains a reserve for potential credit losses, which historically have been within expectations. As of December 31, 2025, the Company made prepayments to one individual supplier, which represented more than 10% of total advances to suppliers, in the amount of $40,581. As of December 31, 2024, three individual suppliers accounted for more than 10% of total advances to suppliers.

(ag) Fair value of financial instruments

The Company applies ASC 820 for fair value measurements of financial assets and liabilities. Fair value is defined as the exit price, the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tiered hierarchy, which prioritizes which inputs should be used in measuring fair value and requires the use of observable market data when available in determining fair value, is comprised of:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company's money market funds included in cash equivalent, restricted cash balance, mutual funds related to employee compensation plan, and listed equity securities are measured using Level 1 inputs.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. These include quoted prices for similar assets in active markets or inputs corroborated by observable market data.

Level 3 - Unobservable inputs reflecting the Company's own assumptions, consistent with those market participants would use when pricing the asset or liability.

(ah) Earnings per share

Basic earnings per common share is calculated by dividing net income attributable to common shareholders, after deducting cumulative dividends on any outstanding redeemable preferred shares of subsidiaries, by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares. The dilutive effect of share-based awards is calculated using the treasury stock method, while the effects of convertible notes is calculated using the if-converted method. Anti-dilutive common share equivalents are excluded from the dilutive earnings per share calculation. The Company is required to apply the two-class method when calculating basic and diluted earnings per share, if preferred shares of subsidiaries are considered participating securities under ASC 260.

(ai) Share-based compensation

The Company may grant restricted share units ("RSUs") and share options to employees and directors. Awards with time-based vesting conditions are measured at grant date fair value and recognized as compensation expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period. For awards with both time-based and performance-based vesting conditions, compensation expense is recognized when it becomes probable that the performance condition will be met. The fair value of awards with performance conditions does not reflect the likelihood of achieving the performance condition and is recognized in accordance with ASC 718. Share-based compensation expense is allocated to cost of revenues, selling and distribution, general and administrative, and research and development expenses, based on the job function of the grantee.

(aj) Recently issued accounting pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires enhanced disaggregation in the income tax rate reconciliation and additional disclosures by nature and jurisdiction for reconciling items exceeding a quantitative threshold. On January 1, 2025, the Company adopted the new standard. ASU No. 2023-09 affects financial statement disclosure in 2025, and its adoption did not affect the Company's consolidated results of operations or financial condition.

In March 2024, the FASB issued ASU 2024-02, Codification Improvements—Amendments to Remove References to the Concepts Statements, which removes various references to concepts statements from the FASB Accounting Standards Codification. The new standard is effective for fiscal years beginning January 1, 2025, and its adoption did not have a material impact to the Company's consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), which requires additional disaggregation of specific expense categories in the statement of income. In January 2025, the FASB issued ASU 2025-01, which clarifies the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, Revenue from Contracts with Customers, to assume that conditions as of the balance sheet date remain unchanged for the remaining life of those assets. Entities that elect the practical expedient and, if applicable, make the accounting policy election are required to apply the amendments prospectively. The new standard is effective for fiscal years beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Improvements to the Accounting for and Disclosure of Internal-Use Software, which amends certain aspects of the accounting for and disclosure of software costs. The new standard is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of the updated standard on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09, Derivatives and Hedging (Topic 815): Hedge Accounting Improvements, which clarify certain aspects of the guidance on hedge accounting and to address several incremental hedge accounting issues arising from the global reference rate reform initiative. The new standard is effective for fiscal years beginning after December 15, 2026. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarify interim disclosure requirements and the applicability of Topic 270. The new standard is effective for fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

3. ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses comprises allowances for accounts receivable-trade, advances to suppliers, warranty insurance receivable, and other receivables. Warranty insurance receivable is presented within other non-current assets and other receivables are included in prepaid expenses and other current assets.

The following tables summarize the gross balances, allowance for credit losses, and net carrying amounts:

	December 31, 2024	December 31, 2025
Accounts receivable trade, gross	$ 1,194,913	$ 912,302
Allowance for credit losses	(76,144)	(82,345)
Accounts receivable trade, net	$ 1,118,769	$ 829,957

	December 31, 2024	December 31, 2025
Advances to suppliers, gross	$ 244,703	$ 323,850
Allowance for credit losses	(2,141)	(1,461)
Advances to suppliers, net	$ 242,562	$ 322,389

	December 31, 2024	December 31, 2025
Warranty insurance receivable, gross	$ 79,923	$ 61,276
Allowance for credit losses	(23,923)	(14,073)
Warranty insurance receivable, net	$ 56,000	$ 47,203

	December 31, 2024	December 31, 2025
Other receivable, gross	$ 184,139	$ 326,766
Allowance for credit losses	(13,901)	(18,063)
Other receivable, net	$ 170,238	$ 308,703

Changes in the allowance for credit losses were as follows:

	Accounts Receivable Trade	Advances to Suppliers, Warranty Insurance Receivable and Other Receivables
Balance as of December 31, 2022	$ 49,930	$ 11,374
Provision for credit losses, net	7,381	4,633
Write-offs	(2,073)	(242)
Foreign exchange effect	1,564	(163)
Balance as of December 31, 2023	56,802	15,602
Provision for credit losses, net	14,289	24,771
Write-offs	(647)	—
Foreign exchange effect	5,700	(408)
Balance as of December 31, 2024	76,144	39,965
Provision for credit losses, net	(6,797)	5,348
Write-offs	(1,560)	(12,151)
Foreign exchange effect	14,558	435
Balance as of December 31, 2025	$ 82,345	$ 33,597

4. INVENTORIES

Inventories consist of the following:

	December 31, 2024	December 31, 2025
Raw materials	$ 233,034	$ 273,048
Work-in-process	157,290	80,296
Finished goods	816,271	780,195
Total	$ 1,206,595	$ 1,133,539

The Company recorded inventory write- downs of $113,079, $151,957 and $74,013 in the year ended December 31, 2023, 2024 and 2025, respectively, to reflect lower of cost and net realizable value.

5. PROJECT ASSETS

Project assets consist of the following:

	December 31, 2024	December 31, 2025
Development costs, including acquisition and land	$ 907,526	$ 1,286,434
EPC and other construction costs	376,736	744,321
	1,284,262	2,030,755
Current portion	$ 394,376	$ 549,269
Non-current portion	889,886	1,481,486

The Company recorded impairment losses of $16,239, $33,052 and $60,245 on project assets for the years ended December 31, 2023, 2024 and 2025, respectively. Capitalized interest during development and construction was $27,676, $38,456 and $64,201 for the same periods, respectively.

6. PROPERTY, PLANT AND EQUIPMENT, NET

The components of property, plant and equipment, net were as follows:

	December 31, 2024	December 31, 2025
Buildings	$ 967,761	$ 981,598
Leasehold improvements	188,780	208,240
Machinery and equipment	2,497,250	2,642,634
Furniture, fixtures and office equipment	192,081	153,955
Motor vehicles	15,678	18,290
Freehold land	56,234	77,212
Total costs	3,917,784	4,081,929
Accumulated depreciation	(1,322,347)	(1,769,545)
Subtotal	2,595,437	2,312,384
Construction in progress	579,206	1,063,651
Property, plant and equipment, net	$ 3,174,643	$ 3,376,035

Depreciation expense was $287,130, $462,254 and $493,948 for the years ended December 31, 2023, 2024 and 2025, respectively. Construction in progress primarily includes production facilities under construction and machinery and equipment pending installation. Capitalized interest during construction was $3,246, $168 and $10,836 for the same periods, respectively.

7. SOLAR POWER AND BATTERY ENERGY STORAGE SYSTEMS, NET

Solar power and battery energy storage systems, net consist of the following:

	December 31, 2024	December 31, 2025
Systems in operation	$ 1,270,389	$ 1,490,144
Systems under construction	762,523	671,470
Total costs	2,032,912	2,161,614
Accumulated depreciation	(55,973)	(96,116)
Solar power and battery energy storage systems, net	$ 1,976,939	$ 2,065,498

The Company reclassified $119,067, $312,773 and nil, from project assets to solar power and battery energy storage systems during the years ended December 31, 2023, 2024 and 2025, respectively, reflecting a change in intent to hold and operate these assets to generate electricity or storage revenue.

The Company recorded impairment losses on solar power systems of nil, $21,400 and $11,063 for the years ended December 31, 2023, 2024 and 2025, respectively. Depreciation expense was $14,266, $28,900 and $50,362 for the same periods, respectively. Capitalized interest during development and construction was $33,097, $70,487 and $42,812 for the same periods, respectively.

8. INTANGIBLE ASSETS, NET

The components of intangible assets, net were as follows:

December 31, 2025	Gross Carrying Value	Accumulated Amortization	Net
Computer software	$ 62,754	$ (37,373)	$ 25,381
Customer-related intangible assets	5,704	(2,253)	3,451
Trademark	4,156	(1,007)	3,149
Intangible assets, net	$ 72,614	$ (40,633)	$ 31,981

December 31, 2024	Gross Carrying Value	Accumulated Amortization	Net
Computer software	$ 52,279	$ (29,148)	$ 23,131
Customer-related intangible assets	5,704	(1,402)	4,302
Trademark	4,150	(557)	3,593
Intangible assets, net	$ 62,133	$ (31,107)	$ 31,026

Amortization expense was $3,793, $7,993 and $8,284, for the years ended December 31, 2023, 2024 and 2025, respectively. Estimated future amortization expense for the years ending December 31, 2026 through 2030 and thereafter is approximately $9,025, $8,328, $4,253, $1,501, $940 and $4,866, respectively.

9. FAIR VALUE MEASUREMENT

The Company measures its financial assets and liabilities at fair value using a three-level hierarchy that prioritizes inputs to valuation techniques based on observability. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date and incorporates adjustment for counterparty credit quality, the Company's credit, liquidity, and when applicable, risk margins on unobservable inputs.

The Company uses foreign currency exchange forward and option contracts to mitigate the impact of exchange rate fluctuations on forecasted cash flows. These derivative contracts generally do not qualify for hedge accounting, therefore changes in fair value are recognized in the consolidated statements of operations. Derivative contracts involve currencies such as the Renminbi, Brazilian real, Euro, Japanese yen and South African rand. As these instruments are not exchange traded, fair value is determined using standard industry valuation models that incorporate observable market inputs, including spot and forward rates, credit risk and interest rate curves. These measurements are classified as Level 2 within the fair value hierarchy.

In 2024 and 2025, the Company entered into interest rate swaps to hedge floating-rate debt and to mitigate interest rate volatility. Fair value of interest rate swaps was also based on observable market data and classified as Level 2. Unrealized gains and losses on interest rate swaps that qualified as cash flow hedges were recorded in other comprehensive income (loss).

The fair value of derivative instruments and their impact on the consolidated financial statements were as follows:

	Fair Value of Derivative Assets			
	December 31, 2024		December 31, 2025	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign exchange forward contracts	Derivative assets — current	$ 14,025	Derivative assets — current	$ 15,002
Interest rate swaps	Other non-current assets	3,543	Other non-current assets	1,732
	Total	$ 17,568	Total	$ 16,734

	Fair Value of Derivative Liabilities			
	December 31, 2024		December 31, 2025	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign exchange forward contracts	Derivative liabilities — current	$ 13,738	Derivative liabilities — current	$ 6,179
Interest rate swaps	Other non-current liabilities	6,063	Other non-current liabilities	9,654
	Total	$ 19,801	Total	$ 15,833

	Location in Statements of Operations	Amount of Gain (Loss) Recognized in Statements of Operations, Years Ended December 31, 2023	2024	2025
Foreign exchange forward contracts	Gain (loss) on change in fair value of derivatives, net	$ (38,241)	$ (51,406)	$ (42,437)
Foreign exchange option contracts	Gain (loss) on change in fair value of derivatives, net	10,712	6	15
Commodity hedge	Gain (loss) on change in fair value of derivatives, net	25	—	—
	Total	$ (27,504)	$ (51,400)	$ (42,422)

Equity securities

The Company held equity securities listed on various stock exchanges, measured at fair value of $18,289 and $12,959 as of December 31, 2024 and 2025, respectively, and included in prepaid expenses and other current assets. Fair value losses of $2,826, $616 and $856 were recognized in investment income, net, for the years ended December 31, 2023, 2024 and 2025, respectively. Fair value was determined using quoted market prices on their respective stock exchanges and classified as Level 1.

The Company invested in unlisted equity investments, included in other non-current assets, that were carried at fair value of $21,034 and $33,674 as of December 31, 2024 and 2025, respectively. Unrealized gain of $1,515 and $2,733 were recognized in investment income, net, for the years ended December 31, 2024 and 2025, respectively. Valuations were based on unobservable market inputs and the Company's own assumptions that were consistent with those of market participants and classified as Level 3.

Debt securities

The Company held available-for-sale debt securities, measured at $10,723 and $nil as of December 31, 2024 and 2025, respectively, and included in prepaid expenses and other current assets. The Company had bank time deposits and structured deposits with original maturity exceeding three months, measured at $64,650 and $241,698 as of December 31, 2024 and 2025, respectively, included in prepaid expenses and other current assets. Related gains or losses, recorded in investment income were insignificant for the years ended December 31, 2024 and 2025. Fair value was determined based on quoted pricing of similar debt securities and classified as Level 2.

Other fair value measurements

The Company recognized property, plant and equipment impairments of $5,938, $65,285 and $54,015 in the manufacturing segment for the years ended December 31, 2023, 2024 and 2025, respectively. The Company recognized solar power systems impairments of nil, $21,400 and $11,063 in the Recurrent Energy segment for the years ended December 31, 2023, 2024 and 2025, respectively. Fair value was measured using unobservable inputs, including indicative offers from unrelated third-parties, and classified as Level 3. Impairments were recorded in general and administrative expenses. Project asset impairments of $16,239, $33,052 and $60,245 were recorded as cost of revenues in the Recurrent Energy segment for the years ended December 31, 2023, 2024 and 2025, respectively. Fair value was measured using unobservable inputs, including indicative pricing or valuation reports from unrelated third parties, and classified as Level 3.

The Company also holds certain financial instruments that are not recorded at fair value, but whose fair values are required to be disclosed. The carrying amount of cash and cash equivalents, restricted cash, trade and other receivables, account and other payables, short-term notes payable, related party balances, current portion of customer advances, and short-term borrowings approximate fair value due to short maturities. Long-term borrowings totaled $2,731,543 and $3,621,232 as of December 31, 2024 and 2025, respectively, and approximate fair value since most of the borrowings contain variable interest rates. The carrying values of green bonds and convertible notes were $375,459 and $348,465 as of December 31, 2024 and 2025, respectively, and approximate fair value. Fair value of these instruments was determined using discounted cash flow, incorporating market-based inputs, and classified as Level 2.

10. VARIABLE INTEREST ENTITIES

The Company did not retain ownership interests or control in any non-consolidated VIEs.

As of December 31, 2024 and 2025, the carrying amounts of the major assets and liabilities of consolidated VIEs, excluding immaterial line items and intercompany balances elimination in consolidation, included in the balance sheets were as follows:

	December 31, 2024	December 31, 2025
Cash	$ 79,220	$ 17,737
Project assets	150,919	306,795
Property, plant and equipment, net	314,319	374,043
Solar power and battery energy storage systems, net	718,585	320,339
Other assets	90,139	536,407
Total assets	$ 1,353,182	$ 1,555,321
Short-term borrowings	$ 85,531	$ 37,341
Long-term borrowings	495,477	639,545
Other liabilities	241,793	265,987
Total liabilities	$ 822,801	$ 942,873
Redeemable non-controlling interests	$ 62,650	$ 173,184

Net income attributable to consolidated VIEs was insignificant to the Company's consolidated financial statements for the years ended December 31, 2023, 2024 and 2025.

Cash flow activity attributable to consolidated VIEs were insignificant to the consolidated financial statements for the years ended December 31, 2023 and 2024. Cash flow activities attributable to consolidated VIEs for the years ended December 31, 2024 and 2025 were $159,926 and $68,829 used in operating activities, $634,608 and $54,697 used in investing activities, and $752,825 and $69,278 provided by financing activities, including $226,935 and $207,669 capital contributions from tax equity investors.

11. INVESTMENTS IN AFFILIATES

Investments in affiliates consist of the following:

	December 31, 2024		December 31, 2025	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Lingang Frontier (Yangzhou) CSI New Energy Investment Fund, LP	$ 54,254	44.9 %	$ 74,789	39.2 %
Suzhou Financial Leasing Co., Ltd.	32,578	3.0	36,649	3.0
RE Crimson Holdings LLC	25,230	20	22,142	20
Panati Holding S.A.	21,199	30	19,372	30
Canadian Solar Infrastructure Fund, Inc.	17,078	14.9	18,479	14.5
Evacuación Tordesillas 400KV, Sociedad Limitada	3,373	46.2	18,072	46.2
Lavras Solar Holding S.A.	12,296	20	13,154	20
Tordesillas Renovables, S.L.	1,215	33.4	13,123	33.4
Marangatu Holding S.A.	19,640	30	5,966	30
Others	46,117	1.8-49 %	67,855	1.8-49 %
Total	$ 232,980		$ 289,601	

In 2023, CSI Solar established Lingang Frontier (Yangzhou) CSI New Energy Investment Fund, LP. In 2015, CSI Solar jointly established Suzhou Financial Leasing Co., Ltd. One of its five board members is designated by CSI Solar. These investments are accounted for under the equity method due to CSI Solar's significant influence over the investees. Following the fund raising, ownership interest declined from 44.9% to 39.2%. The effective ownership interests in these entities are presented in the table above.

In 2022, the majority interests in Marangatu Holding S.A. ("Marangatu") and Panati Holding S.A. ("Panati") were sold to unrelated third parties. The Company retained significant influence over Marangatu and Panati and continued to account for the investment under the equity method.

In 2017, Canadian Solar Infrastructure Fund, Inc. ("CSIF") completed its IPO. As of December 31, 2024 and 2025, the Company held 65,672 units and 63,932 units in CSIF, respectively. One of three board members represents the Company. Given CSIF's board structure and voting requirements, the Company is considered to have significant influence over the investee and applies the equity method.

Equity in earnings of affiliates was $14,610 for the year ended December 31, 2023, equity in losses of affiliates were $12,136 and $28,875 for the years ended December 31, 2024 and 2025, respectively.

12. LEASES

The Company leases manufacturing facilities in various regions where the Company operates. The Company also leases land for construction and operations of solar power and battery energy storage systems, and leases office space, office equipment and motor vehicles for its sales and administrative functions.

The Company capitalizes lease costs to its project assets and solar power and battery energy storage systems, when such costs qualify for capitalization as during periods in which activities necessary to get the property ready for its intended use are in progress.

The leases considered as ROU assets have various terms of up to 50 years. The Company also has certain leases with terms of 12 months or less, which are not recorded on the balance sheets.

The components of lease expense were as follows:

	Years Ended December 31,	
	2024	2025
Finance lease cost:		
Amortization of finance lease ROU assets	$ 75,189	$ 13,410
Interest on finance lease liabilities	8,986	8,713
Operating fixed lease cost	24,992	38,083
Short-term lease cost	467	1,508
Total lease expense	$ 109,634	$ 61,714

Supplemental balance sheet information for leases is presented below:

	Balance Sheet Location	December 31, 2024	December 31, 2025
Assets:			
Operating lease ROU assets	Right-of-use assets	$ 280,420	$ 343,139
Land use rights, net	Right-of use assets	98,128	98,152
Total operating lease ROU assets		378,548	441,291
Finance lease ROU assets	Property, plant and equipment, net	178,151	159,192
Total finance lease ROU assets		$ 178,151	$ 159,192
Liabilities:			
Operating lease	Operating lease liabilities – current	$ 21,327	$ 26,783
Operating lease	Operating lease liabilities – non-current	271,849	354,508
Total operating lease liabilities		$ 293,176	$ 381,291
Finance lease	Other current liabilities	$ 54,287	$ 30,791
Finance lease	Other non-current liabilities	132,106	110,729
Total finance lease liabilities		$ 186,393	$ 141,520

Other supplemental information related to leases is presented below:

	Years Ended December 31,	
	2024	2025
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash outflows for finance leases	$ (8,986)	$ (8,713)
Operating cash outflows for operating leases	(15,032)	(14,012)
Financing cash outflows for finance leases	(72,211)	(48,036)
ROU assets obtained in exchange for new finance lease liabilities in non-cash transaction	89,787	—
ROU assets obtained in exchange for new operating lease liabilities in non-cash transaction	184,481	122,368
ROU assets disposed through early termination of operating leases in non-cash transaction	$ (954)	$ (7,655)

	December 31, 2024	December 31, 2025
Weighted average remaining lease term - finance leases (in years)	6.8	6.8
Weighted average remaining lease term - operating leases (in years)	15.5	15.8
Weighted average discount rate - finance lease	5.3 %	5.6 %
Weighted average discount rate - operating lease	5.0 %	4.2 %

As of December 31, 2025, maturities of operating and finance lease liabilities were as follows:

	Operating Leases	Finance Leases	Total Leases
Year Ending December 31,			
2026	$ 34,699	$ 36,758	$ 71,457
2027	34,064	26,504	60,568
2028	36,609	25,287	61,896
2029	39,614	24,061	63,675
2030	40,993	13,566	54,559
Thereafter	395,073	37,558	432,631
Total lease payments	581,052	163,734	744,786
Less: imputed interest	199,761	22,214	221,975
Present value of lease liabilities	$ 381,291	$ 141,520	$ 522,811
Analysis as:			
Short-term	$ 26,783	$ 30,791	$ 57,574
Long-term	354,508	110,729	465,237
Total lease liabilities	$ 381,291	$ 141,520	$ 522,811

13. BORROWINGS

Borrowings consist of the following:

	December 31, 2024	December 31, 2025
Short-term borrowings related to project assets [1]	$ 455,166	$ 843,129
Other short-term borrowings	1,418,140	1,545,908
Total short-term borrowings	1,873,306	2,389,037
Long-term borrowings related to project assets	702,077	665,365
Other long-term borrowings	2,029,466	2,955,867
Total long-term borrowings	2,731,543	3,621,232
Total borrowings	$ 4,604,849	$ 6,010,269
Non-recourse short-term borrowings	$ 412,962	$ 601,542
Non-recourse long-term borrowings	584,472	1,566,943
Total non-recourse borrowings	$ 997,434	$ 2,168,485

(1) Includes the current portion of long-term borrowings classified as current liabilities because these borrowings relate to project assets expected to be sold within one year.

As of December 31, 2024 and 2025, total borrowings were $4,604,849 and $6,010,269, respectively, including $2,264,767 and $2,417,322 related to CSI Solar, and $2,340,082 and $3,592,947 related to Recurrent Energy, respectively. CS PowerTech had no borrowings as of December 31, 2025. In addition, as of December 31, 2024 and 2025, the Company had $146,542 and $153,152 of green bonds related to Recurrent Energy and $228,917 and $195,313 of convertible notes, respectively.

As of December 31, 2024 and 2025, $997,434 and $2,168,485 of borrowings under Recurrent Energy were non-recourse. These borrowings are typically long-term, asset- or portfolio-specific, and denominated in the domestic currency of the respective project subsidiary. These are secured by the assets and equity of each project, and lenders have no recourse to Canadian Solar Inc. in the event of a default.

As of December 31, 2025, borrowings of $3,925,248 were secured by property, plant and equipment with a carrying amount of $285,875, land use rights of $63,489, restricted cash of $437,210, equity interests of $573,135, project assets of $888,894, and solar power and battery energy storage systems of $1,180,984. These borrowings were classified as short-term borrowings of $793,233, long-term borrowings of $473,976 under Manufacturing, and short-term borrowings of $71,139, non-recourse borrowings - current of $600,077, long-term borrowings of $490,971 and non-recourse borrowings of $1,495,852 under Recurrent Energy.

The Company's significant borrowings were as follows:

In 2025, Recurrent Energy B.V. completed a refinancing of its credit facilities with Banco Santander, S.A., Intesa Sanpaolo S.p.A New York Branch, Rabobank, New York Branch, and Morgan Stanley Senior Funding, Inc. The refinanced $415,000 credit facility consists of term loan facilities of €83,800,000 ($90,500) and $59,500, and a $265,000 revolver, maturing in April 2028 and extendable by one year subject to lender consent. The Company provided guarantee of up to $325,000 in connection with the facility. In 2025, the term loan was increased by $82,500 and €10,769,178 ($12,650), and revolver was increased by $45,000, with MUFG, Norddeutsche Landesbank and Nomura Corporate Funding Americas, LLC. As of December 31, 2025, $552,381 was outstanding.

In 2025, RE Papago PV LLC, RE Desert Bloom LLC and Sun Dog Class B LLC obtained $505,949 in project financing for a battery energy storage project and solar project in Arizona, with Norddeutsche Landesbank, MUFG, CoBank and Siemens Financial Services. The financing includes a $265,697 non - recourse construction and term loan, a $171,927 tax equity bridge loan and a $68,325 letter of credit facility. The facility is secured by assets and equity interests in the subsidiaries. The non - recourse construction and term loan will mature in April 2046. As of December 31, 2025, the outstanding balance under the non - recourse construction financing and tax equity bridge loan was $343,696.

In 2024, RE Papago LLC and Papago BESS Class B LLC, obtained $513,312 in project financing for a battery energy storage project in Arizona, with MUFG and Norddeutsche Landesbank as lead arrangers. The facility includes a $248,664 non - recourse construction and term loan, a $163,560 tax equity bridge loan and a $101,088 letter of credit facility. The facility is secured by assets and equity interests in the subsidiaries. The non - recourse term loan will mature in April 2030. As of December 31, 2025, $244,800 of the non - recourse term loan was outstanding.

In 2024, Blue Moon Energy LLC and Blue Moon Class B LLC obtained $164,432 in project financing for a solar project in Kentucky, with U.S. Bank NA as lead arranger. The financing includes a $65,746 non - recourse construction and term loan, a $86,985 tax equity bridge loan and a $11,701 letter of credit facility. The facility is secured by assets and equity interests in the subsidiaries. The non - recourse construction and term loan will mature on the fifth anniversary of the term conversion date. As of December 31, 2025, $109,083 of the non - recourse construction loan was outstanding.

In 2023, North Fork Solar Project, LLC secured $109,087 in project financing for a solar project in Oklahoma, with Norddeutsche Landesbank and Rabobank as lead arrangers. The financing includes a $98,736 construction and term loan and a $10,351 letter of credit facility. The facility is secured by assets and equity interests in the subsidiary. The financing will mature in December 2043. As of December 31, 2025, the outstanding balance under the non - recourse term loan was $90,094.

In 2024, Canadian Solar UK Projects Ltd secured a €95,000,000 ($111,587) credit facility with Investec Bank Plc. The facility comprises a €40,000,000 ($46,984) term loan and a €55,000,000 ($64,603) revolver, which will mature in February 2027 and is guaranteed by the Company. As of December 31, 2025, $104,976 was outstanding.

In 2024, Canadian Solar Netherlands Cooperative U.A. secured a $100,000 credit facility with Nomura Securities International, Inc. In 2025, the credit facility was novated to Canadian Solar Holdings B.V. and amended to increase the commitment to $150,000 and extend the maturity to March 2027. The credit facility is secured by assets and is guaranteed by the Company. As of December 31, 2025, $124,984 was outstanding.

In 2024, Re Thorn Solar Capital, S.L.U. secured a €674,000,000 ($791,684) non - recourse credit facility from Banco Santander CIB, ING, ABN Amro, BBVA, Banco Sabadell, Rabobank, HSBC, Intesa Sanpaolo, Natwest and Norddeutsche Landesbank for Recurrent Energy's solar projects in Spain. The financing includes a €555,000,000 ($651,906) Capex Facility, a €8,000,000 ($9,397) VAT facility, a €23,000,000 ($27,016) Debt Service Reserve Facility, and a €88,000,000 ($103,365) letter of credit facility. As of December 31, 2025, $607,566 was outstanding.

In 2023, Aurora 01 GK issued JPY18,500,000,000 ($118,080) in private placement of green bonds. The bonds will mature in September 2026 and are guaranteed by the Company. As of December 31, 2025, the carrying value net of unamortized issuance costs was $118,080, and is included as a component of green bonds.

In 2024, Akane 01 GK secured a JPY11,700,000,000 ($74,678) credit facility with Société Générale, Tokyo Branch, as lead arranger. The facility will mature in September 2027 and is guaranteed by the Company. As of December 31, 2025, $74,678 was outstanding.

In 2022, Canadian Solar New Energy Holding Co Ltd secured a $50,000 credit facility from ING Bank, which was subsequently amended to $35,000. In 2024, Canadian Solar Spain, Sociedad Limitada secured a EUR50,000,000 ($58,730), revolver from ING Bank, which was subsequently amended to EUR35,000,000 ($41,111). The two facilities, guaranteed by us, were extended to mature in July 2026. As of December 31, 2025, $76,111 was outstanding.

Between 2022 and 2024, six of the project companies in Brazil obtained project financings in the aggregate of BRL1,300,200,000 ($237,349) from various financial institutions, including BNB, Bradesco, Itaú BBA and Vortx Serviços Fiduciários Ltda. These facilities are secured by assets and equity interests in subsidiaries, with maturities set between 2033 and 2047 for the remaining facilities. As of December 31, 2025, $145,719 non-recourse financing and $53,864 recourse financing were outstanding.

As of December 31, 2025, the financial covenants related to these borrowings were met.

As of December 31, 2025, the Company had approximately $8,772,006 in contractual credit facilities, with $5,158,415 drawn as borrowings, $811,467 utilized through bank guarantees, letters of credit and short - term notes payable. Of the total contractual credit facilities, approximately $2,356,518 is available for drawdown to support manufacturing operations and working capital requirements, and approximately $429,972 is available in connection with projects business. In addition, the Company had uncommitted credit facilities totaling approximately $1,988,439, with $568,620 drawn as borrowings and $639,323 utilized under similar banking arrangements as of December 31, 2025.

In connection with the sale of project assets in the years ended December 31, 2023, 2024 and 2025, borrowings of $161,709, nil and nil, respectively, were assumed by buyers.

As of December 31, 2025, future principal repayments on borrowings are as follows (including $100,274 of current portion of long-term borrowings classified as current liabilities because these borrowings relate to project assets expected to be sold within one year):

Year Ending December 31,	
2026	$ 2,389,037
2027	1,685,215
2028	997,513
2029	229,296
2030	347,378
Thereafter	361,830
Total	$ 6,010,269

Weighted average effective interest rates were as follows:

	December 31, 2024	December 31, 2025
Short-term borrowings	3.1 %	3.3 %
Long-term borrowings	5.4 %	5.2 %

The Company capitalized interest on borrowings obtained to finance construction of project assets, solar power and battery energy storage systems, or property, plant and equipment, until the asset is ready for its intended use. Interest costs incurred were as follows:

	Years Ended December 31,		
	2023	2024	2025
Interest expense	$ 114,099	$ 137,468	$ 178,166
Interest capitalized:			
Project assets	27,676	38,456	64,201
Solar power and battery energy storage systems	33,097	70,487	42,812
Property, plant and equipment	963	—	—
Total interest costs	$ 175,835	$ 246,411	$ 285,179

14. ACCRUED WARRANTY COSTS

The warranty activity is summarized below:

	Years Ended December 31,		
	2023	2024	2025
Beginning balance	$ 76,677	$ 75,519	$ 84,127
Warranty provision	27,944	35,694	70,129
Warranty costs incurred	(21,011)	(20,404)	(24,751)
Foreign exchange effect	(8,091)	(6,682)	8,881
Ending balance	$ 75,519	$ 84,127	$ 138,386

15. RESTRICTED NET ASSETS

CSI Solar may pay dividends only from retained earnings determined in accordance with the local accounting standards and at least 10% of its annual after-tax income is required to be allocated to a statutory general reserve until such reserve cumulatively reaches 50% of its registered capital. Distribution of registered share capital also requires approval from the local authorities. As a result, a portion of CSI Solar's net assets is restricted and cannot be transferred to the Company through dividends, loans or advances. Accordingly, the statutory general reserve and registered share capital of CSI Solar are considered restricted net assets, totaling $1,483,016 as of December 31, 2025.

There were no distribution received from CSI Solar in 2023. The Company received an aggregate of $34,667 and $26,958 in cash, net of $3,852 and $2,995 in withholding tax, from dividends distributed by CSI Solar in 2024 and 2025, respectively.

16. CONVERTIBLE NOTES

In September 2025, the Company repaid in full the $230,000 aggregate principal amount of convertible notes (the "2025 Notes") upon their maturity. The 2025 Notes bore interest of 2.50% per annum.

In August 2024, the Company entered into a definitive investment agreement with a subsidiary of Pacific Alliance Group ("PAG"), pursuant to which PAG subscribed for $200,000 in aggregate principal amount of convertible notes issued by the Company (the "2029 Notes"). The 2029 Notes represent secured obligations of the Company. The 2029 Notes bear an interest rate of 6.0% per annum, payable quarterly in arrears, and will mature on December 31, 2029. Holders of the 2029 Notes also have the right to require the Company to repurchase the 2029 Notes shortly after December 31, 2027. Subject to the terms of the 2029 Notes, the 2029 Notes may be convertible into the Company's common shares at the holder's option at an initial conversion rate of 54.9451 share per $1,000 of principal, equivalent to an initial conversion price of $18.20 per share. The conversion rate is subject to market customary adjustments.

The 2029 Notes are secured against certain pledges provided by the subsidiaries of the Company.

As of December 31, 2024 and 2025, the carrying values of the convertible notes were $228,917 and $195,313, net of unamortized issuance costs of $1,083 and $4,687, respectively. The debt issuance costs for the 2025 Notes and 2029 Notes are amortized using effective interest method at a rate of 3.18% and 7.41%, respectively. The Company recorded amortization expense of $1,493 and $2,057 for the years ended December 31, 2024 and 2025, respectively. Coupon interest of $5,750 and $11,629 were recorded for the years ended December 31, 2024 and 2025, of which $1,438 and nil were not paid and was recorded in other payables as of December 31, 2024 and 2025, respectively.

See Note 27 for subsequent event relating to issuance of the 2031 Notes.

17. INCOME TAXES

The provision for income taxes is comprised of the following:

	Years Ended December 31,		
	2023	2024	2025
Income (loss) before income taxes and equity in earnings (losses) of affiliates			
Canada	$ (61,704)	$ (38,474)	$ (15,399)
United States	(49,536)	(151,101)	131,620
Foreign	519,765	107,273	(256,960)
	$ 408,525	$ (82,302)	$ (140,739)
Current tax expense (benefit)			
Canada	$ 1,944	$ 972	$ 3,204
United States	12,570	(16,750)	9,722
Foreign	60,536	104,569	67,979
	75,050	88,791	80,905
Deferred tax expense (benefit)			
Canada	2,048	(8,799)	(967)
United States	(4,176)	(31,637)	(1,219)
Foreign	(117,990)	(64,931)	(64,570)
	(15,549)	(105,367)	(66,756)
Total income tax expense (benefit)			
Canada	3,992	(7,827)	2,237
United States	8,394	(48,387)	8,503
Foreign	47,115	39,638	3,409
	$ 59,501	$ (16,576)	$ 14,149

On January 1, 2025, the Company prospectively adopted ASU 2023-09, that requires greater disaggregation of information in the rate reconciliation.

Reconciliation between the provision for income tax for the year ended December 31, 2025, as calculated by applying the combined Canadian federal and provincial statutory tax rate to income before income taxes and equity in earnings of affiliates, and the actual provision (or benefit) for income taxes is as follows:

	Year Ended December 31, 2025	
	Amount	Percent
Effective rate reconciliation:		
Canada federal statutory rate	$ (35,185)	25.0 %
Provincial income taxes, net of federal abatement (1)	(231)	0.2 %
Foreign tax effects		
United States		
Statutory tax rate difference	(5,265)	3.7 %
Changes in valuation allowances	(7,491)	5.3 %
Nontaxable and nondeductible items	(30,456)	21.6 %
Others	(7,408)	5.3 %
China SAR, Hong Kong		
Statutory tax rate difference	(21,998)	15.6 %
Others	1,433	(1.0)%
Other jurisdictions	(760)	0.5 %
Changes in valuation allowances	109,283	(77.6)%
True-up	13,916	(9.9)%
Others	(1,689)	1.2 %
Income tax expense	$ 14,149	(10.1)%

(1) Provincial taxes in Ontario make up the majority of the tax effect in this category.

Reconciliation between the provision for income tax for the years ended December 31, 2023 and 2024, as calculated by applying the combined Canadian federal and provincial statutory tax rate to income before income taxes and equity in earnings of affiliates, and the actual provision (or benefit) for income taxes is as follows:

	Years Ended December 31,	
	2023	2024
Combined federal and provincial income tax rate	27 %	27 %
Effect of permanent difference	(15)	13
Effect of different tax rate on earnings in other jurisdictions	(4)	(6)
Effect of tax holiday	(1)	—
Effect of true-up	—	9
Effect of cross-border tax	1	(2)
Tax credits	—	8
Change in valuation allowance	7	(29)
	15 %	20 %

The components of deferred tax assets and liabilities were as follows:

	December 31, 2024	December 31, 2025
Deferred tax assets:		
Accrued warranty costs	$ 11,200	$ 14,911
Allowance for credit losses	14,928	14,104
Inventory write-downs	7,022	5,223
Future deductible expenses	33,656	37,216
Depreciation difference and impairment of property, plant and equipment, project assets, solar power and battery energy storage systems	40,359	60,271
Accrued liabilities	10,886	11,882
Government subsidies	48,473	37,004
Net operating losses carryforwards	233,329	467,705
Interest limitations	26,199	26,713
Others	100,099	114,114
Total deferred tax assets, gross	526,151	789,143
Valuation allowance	(52,651)	(154,983)
Total deferred tax assets, net	$ 473,500	$ 634,160
Deferred tax liabilities:		
Investments in partnerships	$ 69,327	$ 156,869
Depreciation difference of property, plant and equipment	59,729	54,348
Others	75,776	85,502
Total deferred tax liabilities	$ 204,832	$ 296,719
Net deferred tax assets	$ 268,668	$ 337,441
Analysis as:		
Deferred tax assets	473,500	634,160
Deferred tax liabilities	(204,832)	(296,719)
Net deferred tax assets	$ 268,668	$ 337,441

As of December 31, 2025, the Company had accumulated net operating loss carryforward of $2,138,313, including $512,948 of U.S. federal and state net operating loss carryforwards, which expire between 2027 and 2043.

A deferred tax liability is required for taxable temporary differences arising from the excess of financial reporting basis over tax basis of investments in foreign subsidiaries. However, a deferred tax liability is not recognized if the basis difference is not expected to reverse in the foreseeable future and is expected to be permanent in duration. As of December 31, 2025, the Company recorded $2,038 of withholding tax related to undistributed earnings of foreign subsidiaries, based on expected future distribution plan. The remaining undistributed earnings of approximately $818,751 are considered to be indefinitely reinvested. The unrecognized deferred tax liability on these earnings is estimated to range between $40,938 and $81,875, depending on applicable withholding tax rate that may apply to the future distributions.

The Company evaluates both positive and negative evidence in assessing the realizability of deferred tax assets, including the nature, frequency and severity of recent losses, forecasts of future profitability, the duration of statutory carryforward periods, the historical expiration of tax attributes and feasible tax planning alternatives. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which those temporary differences become deductible for tax purposes. The Company recognized a valuation allowance of $52,651 and $154,983 as of December 31, 2024 and 2025, respectively. Movement of the valuation allowance is as follows:

	Years Ended December 31,		
	2023	2024	2025
Beginning balance	$ 43,488	$ 72,678	$ 52,651
Additions (reversals)	28,819	(19,328)	101,792
Foreign exchange effect	371	(699)	540
Ending balance	$ 72,678	$ 52,651	$ 154,983

The Company makes an assessment of the level of authority for each of its uncertain tax positions, if that position is more likely than not of being sustained upon examination, based on their technical merits, and has measured the unrecognized benefits associated with such tax positions. This liability is recorded as liability for uncertain tax positions on the balance sheets. The Company accrues and classifies interest and penalties associated with such unrecognized tax benefits as income tax expense. The amounts of interest and penalties accrued as of December 31, 2024 and 2025 were $941 and $937, respectively. Given the uncertainty in timing and outcome of the Company's tax examinations, an estimate of the range of the reasonably possible change in gross unrecognized tax benefits within one year cannot be made at this time.

The following table summarizes the activity related to the liability for uncertain tax positions (excluding interest and penalties):

	Years Ended December 31,		
	2023	2024	2025
Beginning balance	$ 4,770	$ 4,745	$ 4,829
Additions	—	146	—
Reductions for tax positions from prior years and statute of limitations expirations	(24)	(63)	(15)
Foreign exchange effect	(1)	1	4
Ending balance	$ 4,745	$ 4,829	$ 4,818

The cash paid for taxes, net of refunds, are as follows:

Year Ended December 31,	2025
Canada federal and provincial	$ 4,589
Foreign	
United States	29,777
China SAR, Hong Kong	83,629
Others	31,718
Cash paid for taxes, net of refunds	$ 149,713

The Company file income tax returns in Canada and various jurisdictions. Generally, the Company's taxation years from 2018 to 2025 are open for reassessment to the Canadian tax authorities. The Company is subject to taxation in the United States and various state jurisdictions. The Company is not currently under examination by the federal or state tax authorities. The Company's income tax returns for 2020 through 2025 remain open to examination by the U.S. tax authorities.

18. EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per share:

	Years Ended December 31,		
	2023	2024	2025
Numerator:			
Net income (loss) attributable to Canadian Solar Inc.	$ 274,187	$ 36,051	$ (104,126)
Cumulative preferred share dividends in subsidiary	—	—	(64,434)
Dilutive effect of convertible notes	5,290	—	—
Net income (loss) attributable to Canadian Solar Inc. — diluted	$ 279,477	$ 36,051	$ (168,560)
Denominator:			
Denominator for basic calculation — weighted average common shares — basic	65,375,084	66,616,400	67,368,537
Diluted effects of share number from RSUs	546,765	323,028	—
Dilutive effects of share number from convertible notes	6,272,157	—	—
Denominator for diluted calculation — weighted average common shares — diluted	72,194,006	66,939,428	67,368,537
Basic earnings per share	$ 4.19	$ 0.54	$ (2.50)
Diluted earnings per share	$ 3.87	$ 0.54	$ (2.50)

For the calculation of diluted earnings per share, the effect of the convertible notes and RSUs were excluded for the year ended December 31, 2025, as their inclusion would have been anti-dilutive. The anti-dilutive shares excluded for the periods indicated are summarized below:

	Years Ended December 31,		
	2023	2024	2025
RSUs and share options	48,598	241,652	380,886
Convertible notes	—	6,272,157	11,247,002

19. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances

As of December 31, 2024 and 2025, current amounts due from related parties amounted to $5,220 and $17,959, respectively, and non-current amounts due from related parties amounted to $75,215 and $76,848, respectively. These primarily relate to receivables from the Company's 49% owned affiliates in Mexico. As of December 31, 2024 and 2025, current and non-current amounts due from Horus Solar S.A. De Capital Variable were $34,742 and $35,273, respectively, and from Recursos Solares PV De México II S.A. De Capital Variable were $40,711 and $51,336, respectively.

Sales and purchase transactions with affiliates

The Company sold solar modules to Marangatu and Panati in Brazil, in the amounts of $173 and $Nil in 2024, respectively. There were no transactions in 2025. In 2023, 2024 and 2025, the Company delivered battery energy storage solutions to Crimson in the U.S., totaling $17,182, $5,300 and $13,008, respectively. In 2023, 2024 and 2025, the Company provided asset management services to CSIF totaling $10,004, $5,508 and $5,032, respectively, and provided power services totaling $6,974, $7,623 and $8,874, respectively.

20. COMMITMENTS AND CONTINGENCIES

a) Property, plant and equipment commitments

As of December 31, 2025, total commitments were $315,824, with payment schedule as follows:

Year Ending December 31,	
2026	$ 251,663
2027	19,387
2028	385
2029	—
2030	44,389
Total	$ 315,824

b) Construction commitments

As of December 31, 2025, outstanding commitments for EPC and construction related to projects were $174,198, with payment schedule as follow:

Year Ending December 31,	
2026	$ 141,238
2027	18,547
2028	12,033
2029	1,016
2030	1,364
Total	$ 174,198

c) Contingencies

Trade Proceedings and Litigations

The Company and its subsidiaries are subject to various international trade proceedings and government actions, including antidumping duty ("AD"), countervailing duty ("CVD"), safeguard measures and tariff regimes affecting imports into the United States and other jurisdictions. These proceedings may result in significant duty deposits, tariffs, or related compliance costs on imports from China, Taiwan, and Southeast Asia, particularly for crystalline silicon photovoltaic ("CSPV") products and lithium battery components.

As of December 31, 2025, the Company's applicable AD and CVD rates on Chinese-origin CSPV products under "Solar 1" and "Solar 2" orders remain in effect, and final results in recent administrative reviews have generally affirmed or reduced prior rates.

Under Solar 1, the Company's current AD rate is 0.00%, and the applicable CVD rate is 15.87%, as of the conclusion of the tenth administrative reviews in 2024. The eleventh administrative reviews were completed with findings of no shipments and no change in rates, and the twelfth reviews are ongoing, with preliminary results expected in 2026. The second five-year sunset reviews concluded in 2024, with both the U.S. Department of Commerce ("USDOC") and U.S. International Trade Commission ("USITC") voting to continue the Solar 1 orders for another five years. Certain prior determinations remain subject to appeal.

Under Solar 2, the Company's current AD and CVD rates for Chinese-origin products remain at 30.06% and 33.58%, respectively, following rescission of the tenth administrative review in December 2025, and no changes have been made to the Company's rates. The Company was not subject to the most recent tenth administrative review of the Solar 2 Taiwan antidumping duty, and its current rates remain unchanged. In 2025, USDOC and USITC initiated the second five - year sunset reviews of the Solar 2 orders, which are ongoing.

The Company is also involved in circumvention proceedings relating to certain products from Southeast Asia. In 2025, the U.S. Court of International Trade ("USCIT") sustained USDOC's Thailand circumvention determination, and the Company has appealed to the U.S. Court of Appeals for the Federal Circuit.

In 2024, the USDOC and USITC initiated new AD and CVD investigations ("Solar 3") against imports from Southeast Asia. In 2025, USDOC issued final affirmative determinations. Final AD and CVD rates applicable to the Company are 111.45% and 255.39%, respectively, on Thai-origin CSPV products. The USITC issued a final affirmative threat determination with respect to Thailand and a negative finding on critical circumstances, resulting in refunds of certain preliminary deposits. The Solar 3 determinations have been appealed and remain subject to judicial review.

In 2025, additional AD and CVD petitions ("Solar 4") were filed covering imports from India, Indonesia and Laos, and investigations are ongoing.

In 2025, the USDOC initiated a Section 232 national security investigation covering polysilicon and derivative products, which could result in additional tariffs or other measures.

In 2025, AD and CVD petitions were filed on active anode materials (a lithium battery component) imported from China and the USDOC and USITC initiated investigations in 2025. On February 11, 2026, USDOC determined that AAM contained in downstream battery products will not be covered by the scope of potential antidumping and countervailing duties. These proceedings remain ongoing.

In 2025, the U.S. government imposed and escalated broad reciprocal tariffs under the International Emergency Economic Powers Act ("IEEPA"). The U.S. Supreme Court found these tariffs unlawful, and the USCIT subsequently ordered refunds for all such tariffs paid under IEEPA. The Company filed suit in the USCIT to preserve its rights to refunds for such tariffs. This litigation and that concerning the extent of available refunds for IEEPA tariffs remains ongoing.

In February 2026, the U.S. government imposed Section 122 tariffs on nearly all U.S. imports at 10% for 150 days. These tariffs remain in effect and are currently expected to expire in July 2026.

In March 2026, the U.S. government announced new Section 301 investigations on U.S. imports from various countries, including China and Thailand. Announcements with respect to these investigations are expected to be issued concurrently with the expiry of the temporary Section 122 tariff measures later in 2026.

Patent Disputes

The Company is party to ongoing patent litigation alleging infringement of various solar technologies. The Company believes the asserted claims lack merit and is vigorously defending these matters. However, the outcome of current or future litigation, particularly those seeking injunctive relief or significant damages, could materially impact the Company's financial condition, results of operations, or cash flows.

In 2024, Maxeon Solar Pte. Ltd. ("Maxeon") filed a U.S. patent infringement lawsuit, alleging infringement of solar-related patents. Maxeon seeks a permanent injunction and damages. Based on its preliminary analysis, the Company believes its modules do not infringe and intends to vigorously defend the case. Additionally, the Company filed an Inter Partes Review ("IPR") with the Patent Trial and Appeal Board ("PTAB"). In 2025, in the lawsuit, Maxeon withdrew one of its patent infringement claims, and the claim was dismissed with prejudice. In January 2026, the PTAB issued a Final Written Decisions in the Company's IPR action invalidating the remaining patents in the lawsuit.

In 2025, CSI Solar Co., Ltd. was notified of lawsuits filed in China by Trina Solar Limited ("Trina"), alleging infringement of solar-related patents. Trina also initiated U.S. litigation in the USITC and in Federal Court. The USITC investigation was terminated upon Trina's motion, and, the Company subsequently filed petitions for IPR before the PTAB challenging the U.S. counterparts of certain patents. The PTAB granted review and joined the Company's petition with previously instituted IPR proceedings. Concurrently, the Company has initiated patent invalidation proceedings before China's National Patent Office, which remain pending. The Federal Court action is stayed pending a decision from the PTAB.

In 2025, First Solar, Inc. (“First Solar”) filed a patent infringement lawsuit against the Company in the U.S. District Court for the District of Delaware seeking injunctive relief and monetary damages. The Company filed a petition with the USPTO, which was denied in 2025 without a decision on the merits. In 2025, the court set a trial date for March 2028. Discovery is currently ongoing in this litigation. Based on our assessment, the Company does not believe its proprietary technology infringes on the patent asserted by First Solar, and the Company intends to vigorously defend the case. On February 24, 2026, First Solar filed a Complaint with the USITC against the Company and nine other manufacturers of modules incorporating TOPCon technology. First Solar seeks a general exclusion order, limited exclusion order, and a cease - and - desist order. The USITC has instituted the case. The Company will vigorously defend against the claims. A final resolution is not expected until the second half of 2027.

21. SEGMENT INFORMATION

As discussed in Note 1. Organization and Operations, the Company consummated a strategic initiative to resume direct oversight of its U.S. operations. The Company has formed new joint venture with its majority-owned subsidiary, CSI Solar, by holding a 75.1% controlling stake in CS PowerTech, which operates U.S.-based manufacturing and sales of solar modules, solar cells and advanced energy storage systems. There have been no changes to the Company’s reportable segment results for prior periods to conform to the current segment presentation.

The segments are determined in accordance with the management approach under ASC280. The Company’s chief operating decision maker (“CODM”), identified as the Chief Executive Officer, regularly reviews financial performance of Manufacturing and Recurrent Energy primarily through revenues, gross profit, operating expenses, income from operations and interest by segment to assess performance and allocate resources. Intersegment transactions, such as the sale of solar modules, EPC services, and battery storage systems from Manufacturing to Recurrent Energy, are conducted on terms comparable to those with unaffiliated third parties and are eliminated in consolidation. The Company does not review balance sheet information by segment and therefore does not present segment assets and liabilities. The segment structure is evaluated regularly to ensure consistency with internal management reporting and to reflect any organizational changes or changes in how the CODM allocates resources and evaluates performance.

The following table summarizes the segment financial results for Manufacturing (formerly disclosed as CSI Solar segment) and Recurrent Energy, including revenues, gross profit, operating expenses, income (loss) from operations and interest by segment. Intersegment eliminations reflect transactions between the two segments, including sales of modules, battery energy storage products and EPC, which are eliminated in consolidation. Unallocated items represent corporate-level income and expenses not directly attributable to either segment and include corporate overhead, professional service fees, and other centralized functions.

	Year Ended December 31, 2025			
	Manufacturing	Recurrent Energy	Elimination and Unallocated Items	Total
Net revenues	$ 5,612,124	$ 403,620	$ (420,637)	$ 5,595,107
Cost of revenues	4,669,608	320,166	(420,893)	4,568,881
Gross profit	942,516	83,454	256	1,026,226
Operating expenses	743,959	236,111	3,000	983,070
Income (loss) from operations	$ 198,557	$ (152,657)	$ (2,744)	$ 43,156
Other segment items [1]				(183,895)
Loss before income taxes and equity in losses of affiliates				$ (140,739)
Supplementary information:				
Interest expense	$ (64,284)	$ (99,114)	$ (14,768)	$ (178,166)
Interest income	34,794	8,678	2,582	46,054
Depreciation and amortization, included in cost of revenues and operating expenses	498,026	57,027	—	555,053

	Year Ended December 31, 2024			
	Manufacturing	Recurrent Energy	Elimination and Unallocated Items	Total
Net revenues	$ 6,460,003	$ 323,469	$ (790,063)	$ 5,993,409
Cost of revenues	5,272,722	257,976	(536,608)	4,994,090
Gross profit	1,187,281	65,493	(253,455)	999,319
Operating expenses	850,499	155,573	23,328	1,029,400
Income (loss) from operations	$ 336,782	$ (90,080)	$ (276,783)	$ (30,081)
Other segment items [1]				(52,221)
Loss before income taxes and equity in losses of affiliates				$ (82,302)
Supplementary information:				
Interest expense	$ (63,698)	$ (63,465)	$ (10,305)	$ (137,468)
Interest income	63,107	25,281	82	88,470
Depreciation and amortization, included in cost of revenues and operating expenses	463,893	37,550	—	501,443

	Year Ended December 31, 2023			
	Manufacturing	Recurrent Energy	Elimination and Unallocated Items	Total
Net revenues	$ 7,230,550	$ 497,653	$ (114,577)	$ 7,613,626
Cost of revenues	6,121,332	292,926	(80,615)	6,333,643
Gross profit	1,109,218	204,727	(33,962)	1,279,983
Operating expenses	653,135	108,106	65,422	826,663
Income (loss) from operations	$ 456,083	$ 96,621	$ (99,384)	$ 453,320
Other segment items [1]				(44,795)
Income before income taxes and equity in earnings of affiliates				$ 408,525
Supplementary information:				
Interest expense	$ (60,413)	$ (46,489)	$ (7,197)	$ (114,099)
Interest income	43,788	7,797	36	51,621
Depreciation and amortization, included in cost of revenues and operating expenses	290,346	16,694	—	307,040

(1) Includes interest expense, net, loss on change in fair value of derivatives, net, foreign exchange gain (loss), net and investment income, net.

The following table summarizes the Company's net revenues generated from different geographic locations. The information presented below is based on the location of the customers' global or regional headquarters, as appropriate:

	Years Ended December 31,		
	2023	2024	2025
The Americas:			
United States	$ 1,485,919	$ 2,776,124	$ 2,777,463
Brazil	846,387	190,925	229,041
Others	283,839	136,726	151,732
	2,616,145	3,103,775	3,158,236
Asia:			
China	2,151,243	1,220,446	710,977
Pakistan	78,203	266,082	202,962
Japan	597,188	150,727	195,090
Others	298,862	164,307	138,095
	3,125,496	1,801,562	1,247,124
Europe and other regions:			
United Kingdom	144,994	185,240	355,484
Australia	128,247	115,118	347,863
Spain	445,321	221,788	141,833
Germany	291,385	198,227	91,636
South Africa	218,596	75,467	56,590
Others	643,442	292,232	196,341
	1,871,985	1,088,072	1,189,747
Total net revenues	$ 7,613,626	$ 5,993,409	$ 5,595,107

The following table summarizes the long-lived assets, including property, plant and equipment, solar power and battery energy storage systems, intangible assets and ROU assets, based on the major geographic location of the assets:

	December 31, 2024	December 31, 2025
Asia Pacific	$ 3,162,555	$ 2,871,672
United States	1,405,757	1,586,046
Europe	500,229	932,317
Latin America	481,149	491,985
Others	11,466	32,785
Total long-lived assets	$ 5,561,156	$ 5,914,805

Property, plant and equipment are allocated based upon physical location. Other assets and investments are allocated based on the location of the related operations.

The following table summarizes the revenues generated from each product or service:

	Years Ended December 31,		
	2023	2024	2025
Manufacturing:			
Solar modules	$ 5,941,345	$ 4,281,178	$ 3,377,706
Battery energy storage solutions	245,173	814,604	1,370,590
Solar system kits	679,350	398,173	224,621
EPC and others	250,105	181,422	227,855
Recurrent Energy:			
Solar power and battery energy storage asset sales	399,098	156,686	175,987
Power services	40,636	69,972	75,486
Revenue from electricity, battery energy storage operations and others	57,919	91,374	142,862
Total net revenues	$ 7,613,626	$ 5,993,409	$ 5,595,107

22. MAJOR CUSTOMERS

No customers accounted for 10% or more of total net revenues for the years ended December 31, 2023, 2024 and 2025. No customers accounted for 10% or more of total net accounts receivable as of December 31, 2024 and 2025.

23. EMPLOYEE BENEFIT PLANS

In the U.S., the Company has a qualified 401(k) plan which provides retirement benefits to its eligible manufacturing and non-manufacturing employees. Under the 401(k) plan, the Company matches 100% of the first five percent of employee contributions. Employees in certain other jurisdictions participate in retirement schemes established under applicable local practice and regulations, which are essentially defined contribution schemes. Contributions for eligible employees are generally calculated as a percentage of the applicable payroll costs. The expense incurred by the Company for contributions schemes globally was $28,222, $37,090 and $37,445 for the years ended December 31, 2023, 2024 and 2025, respectively.

In addition, the Company contributed $20,702, $22,297 and $18,405 to defined benefit schemes for the years ended December 31, 2023, 2024 and 2025, respectively.

24. SHARE-BASED COMPENSATION

Share Incentive

In March 2006, the Company adopted a share incentive plan ("Share Incentive"). The purpose of the Share Incentive is to promote the success and enhance the value of the Company by linking the personal interests of the directors, employees and consultants to those of the shareholders and providing the directors, employees and consultants with an incentive for outstanding performance to generate superior returns to the shareholders. The Share Incentive is also intended to motivate, attract and retain the services of the directors, employees and consultants upon whose judgment, interest and effort the successful conduct of the Company's operations is largely dependent. In September 2010, the shareholders approved an amendment to the Share Incentive to increase the maximum number of common shares which may be issued pursuant to all awards of options, restricted shares and RSUs under the Share Incentive to the sum of (i) 2,330,000 plus (ii) the sum of (a) 1% of the number of outstanding common shares of the Company on the first day of each of 2007, 2008 and 2009 and (b) 2.5% of the number of outstanding common shares of the Company outstanding on the first day of each calendar year after 2009. In June 2020, the shareholders approved an amendment to the Share Incentive to extend its term for a further ten years period. As a result, the Share Incentive will expire and no awards may be granted after June 30, 2029. Under the terms of the Share Incentive, options are generally granted with an exercise price equal to the fair market value of the Company's ordinary shares and expire ten years from the date of grant.

RSUs Activities

The Company granted 206,067, 167,968 and 232,364 RSUs in 2023, 2024 and 2025, respectively. The RSUs entitle the holders to receive the Company's common shares upon vesting. The RSUs were granted for free and generally vest over periods from one to four years based on the specific terms of the grants.

The RSUs granted in 2023, 2024 and 2025 had total grant date fair values of $7,785, $2,800 and $2,477, respectively, and are expensed ratably over the vesting period. As of December 31, 2025, total unrecognized share-based compensation related to unvested RSUs granted between 2021 and 2025 was $6,651, expected to be recognized over a weighted-average period of 2.3 years.

A summary of the RSU activity is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value (in whole US dollars)
Unvested as of January 1, 2025	999,411	$ 26.29
Granted	232,364	10.71
Vested	(855,502)	26.06
Forfeited	(21,678)	31.24
Unvested as of December 31, 2025	354,595	$ 18.87

The fair value of RSUs vested during the years ended December 31, 2023, 2024 and 2025 was $57,298, $13,934 and $12,154, respectively.

CSI Solar Employee Incentive

In 2020, CSI Solar approved the CSI Solar employee incentive plan ("CSI Solar Employee Incentive"). Eligible CSI Solar directors and employees and board members subscribed for equity interest in the partnership for an aggregate of RMB 248 million ($36,342). Vesting conditions, which were met in 2023, include completion of the IPO and the service period. The plan was accounted for based on grant date fair value, which equals the value of the discount received by the participants. As of December 31, 2025, no awards granted were outstanding and no future grants may be available for issuance under this plan.

CSI Solar Restricted Share Incentive

In 2024, CSI Solar adopted a restricted share incentive plan ("CSI Solar Restricted Share Incentive"), which provides for the granting of options to purchase CSI Solar common shares to its officers, directors and employees. Under the plan, options are generally granted with an exercise price of RMB 5.47 ($0.76) per share. The options are subject to time-based and performance-based vesting conditions and will vest in three tranches over a four-year period, beginning 12 months after the grant date. 33% of the options will vest between months 12 and 24, an additional 33% will vest between months 24 and 36, and the remaining 34% will vest between months 36 and 48, subject to continued employment and the achievement of applicable performance criteria. A maximum number of 54,004,000 CSI Solar common shares may be issued under the CSI Solar Restricted Share Incentive. As of December 31, 2025, there was RMB 365,062,858 ($51,938) of total unrecognized share-based compensation related to unvested options granted in 2025, which is expected to be recognized over 1.9 years.

The following table presents the share-based compensation expense included in the consolidated statements of operations:

	Years Ended December 31,		
	2023	2024	2025
Share Incentive	$ 46,981	$ 20,087	$ 10,924
CSI Solar Employee Incentive	8,354	—	—
CSI Solar Restricted Share Incentive	—	1,317	13,488
	$ 55,335	$ 21,404	$ 24,412

25. NON-CONTROLLING INTERESTS AND REDEEMABLE NON-CONTROLLING INTERESTS

In 2023, CSI Solar completed its IPO, raising net proceeds of approximately $927,897, of which, $644,873 was recorded in non-controlling interest, $244,629 in additional paid-in capital and $38,395 in accumulated other comprehensive loss. In 2025, CSI Solar had repurchased 45,077,200 shares for RMB 500,608,600 ($70,135) under its share repurchase program, reducing the non-controlling interests' ownership from 36.86% to 36.21%.

The following schedule presents the effects of transfers from (to) non-controlling interests and redeemable non-controlling interests:

	Years Ended December 31,		
	2023	2024	2025
Net income (loss) attributable to Canadian Solar Inc.	$ 274,187	$ 36,051	$ (104,126)
Transfers from (to) non-controlling interests and redeemable non-controlling interests:			
Increase in paid-in capital from transfer of equity interest in subsidiary and subsidiary's equity offering	244,629	—	—
Increase in paid-in capital from subsidiary's issuance of redeemable preferred shares	—	330,682	—
Increase in paid-in capital from acquisition of non-controlling interest	—	1,485	—
Decrease in paid-in capital from subsidiary's repurchase of its common shares	—	(55,730)	(52,479)
Net transfers from (to) non-controlling interests	$ 244,629	$ 276,437	$ (52,479)
Change from net income attributable to Canadian Solar Inc. and transfers from (to) non-controlling interests and redeemable non-controlling interests	$ 518,816	$ 312,488	$ (156,605)

The Company recorded net loss attributable to redeemable non-controlling interests of nil, $132,475, and $122,565 for the years ended December 31, 2023, 2024, and 2025, respectively.

26. REDEEMABLE NON-CONTROLLING INTERESTS

As the Recurrent Energy B.V. Series A preferred shares are redeemable upon the occurrence of conditions not solely within the Company's control, the related non-controlling interest is classified as temporary equity on the balance sheets. As of December 31, 2025, Recurrent Energy B.V. was in compliance with the terms of the Series A preferred shares and as such, it was not probable that the non-controlling interest would become redeemable. The key terms of the Recurrent Energy B.V. Series A preferred shares are as follows:

Dividends

Pursuant to the transaction documents, either (a) Recurrent Energy B.V. shall, to the extent permitted by law and specifically authorized and declared by Recurrent Energy B.V.'s board of directors in respect of a given calendar quarter, pay in cash to the holders of Series A Preferred Shares dividends in respect of each outstanding Series A Preferred Share at a per annum rate equal to 9% of the Stated Value of such share or (b) to the extent of any portion of the dividend not paid in cash, such amount will automatically be added to the Stated Value of the Series A Preferred Shares. Amounts added to the Stated Value as described above ("Accretion Amounts") will continue to accrue at the same 9% annual rate and compound on a quarterly basis, subject to certain adjustments. The "Stated Value" referred to above generally represents the original purchase price of the Series A Preferred Shares plus the compounded Accretion Amounts plus any accumulated preferred return that has not been paid in cash or added to the Stated Value as an Accretion Amount and is determined as of each calendar quarter.

Subject to the foregoing, the transaction documents place limitations on the payment of dividends absent the unanimous approval of the shareholders.

Voting Rights

The holders of the Series A Preferred Shares are generally entitled to vote, on an as-converted basis, on all matters upon which holders of ordinary shares have the right to vote in the general meeting of Recurrent Energy B.V. (voting together as a single class with the holders of the ordinary shares of Recurrent Energy B.V.). Holders of the Series A Preferred Shares are entitled to appoint one director to the board of Recurrent Energy B.V. So long as any Series A Preferred Shares are outstanding, the prior written consent of any holders of at least 60% of the Series A Preferred Shares will be required before Recurrent Energy B.V. or its subsidiaries take certain actions.

Liquidation Events

The Series A Preferred Shares rank senior to Recurrent Energy B.V.'s ordinary shares with respect to rights upon the voluntary or involuntary liquidation, dissolution or winding up of Recurrent Energy B.V. or upon a deemed liquidation event (collectively, a "Liquidation Event"). Deemed liquidation events include, among other events, a sale of 50% or more of the assets of Recurrent Energy B.V. or a merger, consolidation, equity sale or similar transaction involving the transfer of beneficial ownership of 50% or more of the voting power or economic interest of the outstanding capital stock of Recurrent Energy B.V., subject to certain limitations (a "Company Sale"), and the occurrence of an Exit Demand (as defined below).

Upon a Liquidation Event, the holders of Series A Preferred Shares then outstanding shall be entitled to be paid out of the assets of Recurrent Energy B.V. available for distribution to its shareholders, or otherwise received by shareholders in connection with such Liquidation Event, before any payment shall be made to the other shareholders, an amount per Series A Preferred Share equal to the greater of (i) 1.3 times the Stated Value, and (ii) such amount distributable per ordinary share had all Series A Preferred Shares been converted into ordinary shares immediately prior to such Liquidation Event (the "Preferred Liquidation Amount"). If the assets of Recurrent Energy B.V. available for distribution to its shareholders shall be insufficient to pay the full Preferred Liquidation Amount, the holders of Series A Preferred Shares shall share ratably in any distribution of the assets available for distribution.

Exit Rights

At any time on or after the fifth anniversary of the first closing (i.e., May 31, 2024), Investor shall be entitled to cause Recurrent Energy B.V. to use commercially reasonable efforts to effect (1) a Company Sale resulting in proceeds in respect of the Series A Preferred Shares equal to at least the Preferred Liquidation Amount (an "Investor Exit") or (2) a qualified primary public offering of the ordinary shares of Recurrent Energy B.V. (an "IPO"), by delivering a written notice (an "Exit Request") to Recurrent Energy B.V. If an Investor Exit or qualified IPO is not consummated within two years of the delivery of an Exit Request, Investor shall have the right to cause Recurrent Energy B.V. and its affiliates to effect an Investor Exit or qualified IPO (an "Exit Demand"). In the event of the closing of an IPO, all outstanding Series A Preferred Shares shall automatically be converted into a number of ordinary shares of Recurrent Energy B.V. equal to the greater of (i) the original liquidation preference of the Series A Preferred Shares divided by the conversion price in effect at such time and (ii) 1.3 times the Stated Value divided by the fair market value of such shares, with such fair market value being deemed to be equal to the public offering price per share disclosed in the final prospectus for such IPO. The original liquidation preference shall initially be equal to the purchase price, subject to adjustment for share splits, share dividends or returns, reverse splits, combinations, recapitalizations and similar transactions. The conversion price shall initially be equal to the purchase price, subject to anti-dilution adjustment as provided in the terms of the Series A Preferred Shares.

Redemption and Conversion Rights

On and after the five-year anniversary of the first closing (or an earlier Exit Demand pursuant to an ESG default in accordance with the shareholders' agreement), the Series A Preferred Shares may be redeemed, in whole or in part, at the option of Recurrent Energy B.V. upon 30 days' prior written notice delivered to all holders of Series A Preferred Shares (an "Optional Redemption Notice").

Following receipt of the Optional Redemption Notice, any holder of Series A Preferred Shares may elect, in its sole discretion, to convert all or any number of the shares subject to redemption into ordinary shares at the then effective conversion price, in which case Recurrent Energy B.V. shall not redeem such Series A Preferred Shares (i.e., the number of Series A Preferred Shares to be redeemed by Recurrent Energy B.V. shall be reduced by the number of Series A Preferred Shares so converted). In addition, each holder of Series A Preferred Shares shall have the option to convert all or any of its Series A Preferred Shares upon the occurrence of a Company Sale and certain other monetization events, into a number of ordinary shares of Recurrent Energy B.V. equal to the greater of (i) the original liquidation preference of the Series A Preferred Shares divided by the conversion price in effect at such time and (ii) 1.3 times the Stated Value divided by the fair market value of such shares.

The carrying value of the Series A preferred shares of Recurrent Energy B.V. is not accreted or adjusted to redemption value unless it becomes probable that redemption will occur.

See Note 10 for details of tax equity investors classified as redeemable non-controlling interests on the balance sheets.

27. SUBSEQUENT EVENTS

In January 2026, the Company issued $230,000 of convertible notes due 2031 to qualified institutional buyers in a private placement transaction pursuant to Rule 144A under the Securities Act. The convertible notes are senior unsecured obligations of the Company and accrue interest at a rate of 3.25% per annum, payable semi - annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2026. The convertible notes will mature on January 15, 2031, unless earlier repurchased, redeemed or converted in accordance with their terms prior to such date. Holders of the convertible notes may convert all or part of their notes at their option at any time prior to the close of business on the third business day immediately preceding the maturity date. Upon conversion, the Company will deliver to such converting holders, a number of common shares equal to the applicable conversion rate as of the relevant conversion date, together with a cash payment in lieu of any fractional share. The initial conversion rate is 36.1916 common shares per $1,000 of principal, which represents an initial conversion price of $27.63 per share. The conversion rate and conversion price for the notes will be subject to adjustments upon the occurrence of certain events. On or after January 22, 2029, the Company may redeem for cash all or part of the notes, at the Company's option, if the last reported sale price of its common shares has been at least 130% of the conversion price then in effect on each of at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately prior to the date that the Company provides notice of redemption. In addition, the notes will be redeemable, in whole and not in part, at the Company's option at any time following the occurrence of certain tax related events. The redemption price in the case of a tax redemption or an optional redemption will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the related redemption date.

In April 2026, Cobalt LLC secured $474,256 in project financing for a solar project in California, with Norddeutsche Landesbank as lead arranger. The financing includes a $190,466 construction and term loan, a $204,121 tax equity bridge loan, a $24,587 holdco loan and $55,082 in letter of credit facilities. The facilities are secured by assets and equity interests in the subsidiaries. The financing will mature in June 2047. As of the date of this report, the outstanding balance was $100,122.

Additional Information — Condensed Financial Statements of Parent Company
Canadian Solar Inc.

The following condensed financial statements of Canadian Solar Inc. has been provided pursuant to the requirements of Rules 12-04(a) and 5-04(c) of Regulation S-X, which require condensed financial information as to financial position, cash flows and results of operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented as the restricted net assets of Canadian Solar Inc.'s consolidated and unconsolidated subsidiaries not available for distribution to Canadian Solar Inc. as of December 31, 2025 of $1,483,016, exceeded the 25% threshold.

The condensed financial information has been prepared using the same accounting policies as set out in the consolidated financial statements, except that the equity method has been used to account for investments in subsidiaries. The Company's share of income from its subsidiaries is reported as equity in earnings of subsidiaries in the condensed financial statements. These statements should be read in conjunction with the notes to the consolidated financial statements of the Company. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted.

Financial Information of Parent Company
Balance Sheets

(U.S. dollars in thousands, except share data)	December 31, 2024	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 26,293	$ 681
Amounts due from subsidiaries	317,561	369,236
Prepaid expenses and other current assets	20,031	14,408
Total current assets	363,885	384,325
Investments in subsidiaries	2,773,463	2,751,902
Investments in affiliates	11,745	11,745
Deferred tax assets	2,531	5,664
Other non-current assets	26,904	17,583
Total Assets	$ 3,178,528	$ 3,171,219
Liabilities and Equity		
Current liabilities:		
Short-term borrowings	$ —	$ 28,000
Amounts due to subsidiaries	111,731	119,858
Other current liabilities	6,471	4,347
Convertible notes	228,917	—
Total current liabilities	347,119	152,205
Convertible notes	—	195,313
Deferred tax liabilities	10,285	10,088
Liability for uncertain tax positions	5,624	5,642
Total Liabilities	363,028	363,248
Equity:		
Common shares: no par value, unlimited authorized, 66,954,634 and 67,810,136 outstanding, respectively	835,543	835,543
Additional paid-in capital	590,578	568,921
Retained earnings	1,585,758	1,481,632
Accumulated other comprehensive loss	(196,379)	(78,125)
Total Equity	2,815,500	2,807,971
Total Liabilities and Equity	$ 3,178,528	$ 3,171,219

Financial Information of Parent Company
Statements of Operations

(U.S. dollars in thousands)	Years Ended December 31, 2023	2024	2025
Net revenues	$ —	$ —	$ —
Cost of revenues	—	—	—
Gross profit	—	—	—
Operating expenses:			
General, administrative and other operating expenses	40,198	20,180	612
Total operating expenses	40,198	20,180	612
Loss from operations	(40,198)	(20,180)	(612)
Other income (expenses):			
Interest expense	(18,720)	(10,580)	(14,965)
Interest income	22,862	15,569	13,569
Gain (loss) on change in fair value of derivatives, net	(1,535)	2,700	(4,588)
Foreign exchange gain (loss), net	(772)	(492)	255
Other income (expenses), net:	1,835	7,197	(5,729)
Loss before income taxes and equity in earnings (losses) of subsidiaries and affiliates	(38,363)	(12,983)	(6,341)
Income tax benefit (expense)	(6,775)	3,780	(1,960)
Equity in earnings (losses) of subsidiaries and affiliates	319,325	45,254	(95,825)
Net income (loss)	$ 274,187	$ 36,051	$ (104,126)

Financial Information of Parent Company
Statements of Comprehensive Income (Loss)

(U.S. dollars in thousands)	Years Ended December 31, 2023	2024	2025
Net income (loss)	$ 274,187	$ 36,051	$ (104,126)
Other comprehensive income (loss), net of tax	13,412	(79,647)	115,110
Comprehensive income (loss)	$ 287,599	$ (43,596)	$ 10,984

Financial Information of Parent Company
Statements of Cash Flows

(U.S. dollars in thousands)	Years Ended December 31, 2023	2024	2025
Operating activities:			
Net income (loss)	$ 274,187	$ 36,051	$ (104,126)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Accretion of convertible notes	1,447	1,493	(33,604)
Loss (gain) on change in fair value of derivatives	1,535	(2,700)	4,588
Equity in losses (earnings) of subsidiaries and affiliates	(319,325)	(45,254)	95,825
Share-based compensation	28,410	4,256	2,932
Dividend received from subsidiary	—	38,519	29,976
Deferred taxes	5,180	(361)	(3,330)
Changes in operating assets and liabilities:			
Amounts due from subsidiaries	245,001	46,719	(23,814)
Prepaid expenses and other current assets	(1,594)	(36,216)	5,623
Other non-current assets	—	12,933	9,321
Amounts due to subsidiaries	(232,650)	(44,621)	(9,772)
Other current liabilities	4,377	(2,429)	(2,124)
Liability for uncertain tax positions	(28)	(77)	18
Net settlement of derivatives	(859)	1,262	(4,588)
Net cash provided by (used in) operating activities	5,681	9,575	(33,075)
Investing activities:			
Investments in subsidiaries	(22,164)	(10,310)	(30)
Loans to subsidiaries	(62,226)	(6,162)	(2,320)
Repayment of loans to subsidiaries	69,150	32,271	—
Net cash provided by (used in) investing activities	(15,240)	15,799	(2,350)
Financing activities:			
Proceeds from short - term borrowings	—	—	28,000
Net cash provided by financing activities	—	—	28,000
Effect of exchange rate changes	(5,460)	277	(18,187)
Net increase (decrease) in cash, cash equivalents and restricted cash	(15,019)	25,651	(25,612)
Cash, cash equivalents and restricted cash at the beginning of the year	15,661	642	26,293
Cash, cash equivalents and restricted cash at the end of the year	$ 642	$ 26,293	$ 681
Supplemental disclosure of cash flow information:			
Interest paid	$ 11,586	$ 10,768	$ 13,067

Exhibit 2.3

CANADIAN SOLAR INC.

AND

THE BANK OF NEW YORK MELLON,

as Trustee

INDENTURE

Dated as of January 13, 2026

3.25% Convertible Senior Notes due 2031

ARTICLE 1
DEFINITIONS

Section 1.01	Definitions	1
Section 1.02	References to Interest	12

ARTICLE 2
ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF NOTES

Section 2.01	Designation and Amount	12
Section 2.02	Form of Notes	12
Section 2.03	Date and Denomination of Notes; Payments of Interest and Defaulted Amounts	13
Section 2.04	Execution, Authentication and Delivery of Notes	14
Section 2.05	Exchange and Registration of Transfer of Notes; Restrictions on Transfer; Depositary	15
Section 2.06	Mutilated, Destroyed, Lost or Stolen Notes	22
Section 2.07	Temporary Notes	22
Section 2.08	Cancellation of Notes Paid, Converted, Etc	23
Section 2.09	CUSIP Numbers	23
Section 2.10	Additional Notes; Repurchases	23

ARTICLE 3
SATISFACTION AND DISCHARGE

Section 3.01	Satisfaction and Discharge	24

ARTICLE 4
PARTICULAR COVENANTS OF THE COMPANY

Section 4.01	Payment of Principal and Interest	24
Section 4.02	Maintenance of Office or Agency	24
Section 4.03	Appointments to Fill Vacancies in Trustee’s Office	25
Section 4.04	Provisions as to Paying Agent	25
Section 4.05	Existence	26
Section 4.06	Rule 144A Information Requirement and Annual Reports	26
Section 4.07	Additional Amounts	29
Section 4.08	Stay, Extension and Usury Laws	33
Section 4.09	Compliance Certificate; Statements as to Defaults	34
Section 4.10	Further Instruments and Acts	34

ARTICLE 5
LISTS OF HOLDERS AND REPORTS BY THE COMPANY

Section 5.01	Lists of Holders	34
Section 5.02	Preservation and Disclosure of Lists	34

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01	Events of Default	35
Section 6.02	Acceleration; Rescission and Annulment	36
Section 6.03	Additional Interest	37
Section 6.04	Payments of Notes on Default; Suit Therefor	38
Section 6.05	Application of Monies Collected by Trustee	40
Section 6.06	Proceedings by Holders	40
Section 6.07	Proceedings by Trustee	41
Section 6.08	Remedies Cumulative and Continuing	41
Section 6.09	Direction of Proceedings and Waiver of Defaults by Majority of Holders	42
Section 6.10	Notice of Defaults and Events of Defaults	43
Section 6.11	Undertaking to Pay Costs	43

ARTICLE 7
CONCERNING THE TRUSTEE

Section 7.01	Duties and Responsibilities of Trustee	43
Section 7.02	Reliance on Documents, Opinions, Etc	46
Section 7.03	No Responsibility for Recitals, Etc	48
Section 7.04	[Reserved]	48
Section 7.05	Preservation of Information; Communication with Holders	48
Section 7.06	Trustee, Paying Agents, Conversion Agents or Note Registrar May Own Notes	48
Section 7.07	Monies to Be Held in Trust	48
Section 7.08	Compensation and Expenses of Trustee	48
Section 7.09	Officer's Certificate as Evidence	49
Section 7.10	[Reserved]	49
Section 7.11	Eligibility of Trustee	49
Section 7.12	Resignation or Removal of Trustee	50
Section 7.13	Acceptance by Successor Trustee	51
Section 7.14	Succession by Merger, Etc	51
Section 7.15	Trustee's Application for Instructions from the Company	52

ARTICLE 8
CONCERNING THE HOLDERS

Section 8.01	Action by Holders	52
Section 8.02	Proof of Execution by Holders	52
Section 8.03	Who Are Deemed Absolute Owners	53
Section 8.04	Company-Owned Notes Disregarded	53
Section 8.05	Revocation of Consents; Future Holders Bound	53

ARTICLE 9
HOLDERS' MEETINGS

Section 9.01	Purpose of Meetings	54

Section 9.02	Call of Meetings by Trustee	54
Section 9.03	Call of Meetings by Company or Holders	54
Section 9.04	Qualifications for Voting	55
Section 9.05	Regulations	55
Section 9.06	Voting	55
Section 9.07	No Delay of Rights by Meeting	56
Section 9.08	Depositary Procedures	56

ARTICLE 10
SUPPLEMENTAL INDENTURES

Section 10.01	Supplemental Indentures Without Consent of Holders	56
Section 10.02	Supplemental Indentures with Consent of Holders	57
Section 10.03	Effect of Supplemental Indentures	58
Section 10.04	Notation on Notes	59
Section 10.05	Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee	59

ARTICLE 11
CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 11.01	Company May Consolidate, Etc. on Certain Terms	59
Section 11.02	Successor Corporation to Be Substituted	60
Section 11.03	Opinion of Counsel to Be Given to Trustee	60

ARTICLE 12
IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

Section 12.01	Indenture and Notes Solely Corporate Obligations	60

ARTICLE 13
INTENTIONALLY OMITTED

ARTICLE 14
CONVERSION OF NOTES

Section 14.01	Conversion Privilege	61
Section 14.02	Conversion Procedure; Settlement Upon Conversion	61
Section 14.03	Increased Conversion Rate Applicable to Certain Notes Surrendered in Connection with Make-Whole Fundamental Changes or Notice of Redemption	64
Section 14.04	Adjustment of Conversion Rate	66
Section 14.05	Adjustments of Prices	75
Section 14.06	Shares to Be Fully Paid	75
Section 14.07	Effect of Recapitalizations, Reclassifications and Changes of the Common Shares	75
Section 14.08	Certain Covenants	77
Section 14.09	Responsibility of Trustee	77
Section 14.10	Notice to Holders Prior to Certain Actions	78
Section 14.11	Stockholder Rights Plans	78

ARTICLE 15
REPURCHASE OF NOTES AT OPTION OF HOLDERS

Section 15.01	Intentionally Omitted	78
Section 15.02	Repurchase at Option of Holders Upon a Fundamental Change	79
Section 15.03	Withdrawal of Fundamental Change Repurchase Notice	82
Section 15.04	Deposit of Fundamental Change Repurchase Price	82
Section 15.05	Covenant to Comply with Applicable Laws Upon Repurchase of Notes	83

ARTICLE 16
OPTIONAL REDEMPTION

Section 16.01	Optional Redemption	84
Section 16.02	Notice of Optional Redemption; Selection of Notes	84
Section 16.03	Payment of Notes Called for Optional Redemption	85
Section 16.04	Restrictions on Optional Redemption	86

ARTICLE 17
REDEMPTION FOR TAXATION REASONS

Section 17.01	Redemption for Taxation Reasons	86
Section 17.02	Notice of Tax Redemption	86
Section 17.03	Payment of Notes Called for Tax Redemption.	88
Section 17.04	Holders' Right to Avoid Redemption	88
Section 17.05	Restrictions on Tax Redemption	89

ARTICLE 18
MISCELLANEOUS PROVISIONS

Section 18.01	Provisions Binding on Company's Successors	89
Section 18.02	Official Acts by Successor Corporation	89
Section 18.03	Addresses for Notices, Etc	89
Section 18.04	[Reserved]	91
Section 18.05	Governing Law; Jurisdiction	91
Section 18.06	Submission to Jurisdiction; Service of Process	91
Section 18.07	Evidence Of Compliance With Conditions Precedent; Certificates And Opinions Of Counsel To Trustee	92
Section 18.08	Legal Holidays	92
Section 18.09	No Security Interest Created	92
Section 18.10	Benefits of Indenture	92
Section 18.11	Table of Contents, Headings, Etc	92
Section 18.12	Authenticating Agent	93
Section 18.13	Execution in Counterparts	94
Section 18.14	Severability	94
Section 18.15	Waiver of Jury Trial	94
Section 18.16	Force Majeure	94
Section 18.17	Calculations	94

Section 18.18	USA PATRIOT Act	94
Section 18.19	Currency Indemnity	95
Section 18.20	Sanctions	95

SCHEDULE I

CANADIAN SOLAR INC.

EXHIBIT

Exhibit A	Form of Note	A-1
Exhibit B	Form of Authorization Certificate	B-1

INDENTURE dated as of January 13, 2026 between CANADIAN SOLAR INC., a Business Corporations Act (Ontario) corporation, as issuer (the "**Company**," as more fully set forth in Section 1.01) and THE BANK OF NEW YORK MELLON, a banking corporation organized and existing under the laws of the State of New York with limited liability, as trustee (the "**Trustee**," as more fully set forth in Section 1.01).

W I T N E S S E T H:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issuance of its 3.25% Convertible Senior Notes due 2031 initially in an aggregate principal amount not to exceed $230,000,000, subject to Section 2.10 (the "**Notes**"), and in order to provide the terms and conditions upon which the Notes are to be authenticated, issued and delivered, the Company has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Form of Note, the certificate of authentication to be borne by each Note, the Form of Notice of Conversion, the Form of Fundamental Change Repurchase Notice and the Form of Assignment and Transfer to be borne by the Notes are to be substantially in the forms hereinafter provided; and

WHEREAS, all acts and things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Trustee or a duly authorized authenticating agent, as in this Indenture provided, the valid, binding and legal obligations of the Company, and this Indenture a valid agreement according to its terms, have been done and performed, and the execution of this Indenture and the issuance hereunder of the Notes have in all respects been duly authorized,

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Notes are, and are to be, authenticated, issued and delivered, and in consideration of the premises and of the purchase and acceptance of the Notes by the Holders thereof, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Notes (except as otherwise provided below), as follows:

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions.* The terms defined in this Section 1.01 for all purposes of this Indenture and of any indenture supplemental hereto (except as herein or therein otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings specified in this Section 1.01. The words "herein," "hereof," "hereunder" and words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article include the plural as well as the singular.

"**2029 Notes**" means the 6.00% Secured Convertible Notes due 2029 issued pursuant to the Indenture dated as of January 17, 2025 (and as amended, supplemented or otherwise modified from time to time), by and among the Company, The Bank of New York Mellon, as trustee, and

BNY Mellon Corporate Trustee Services Limited and The Bank of New York Mellon, Hong Kong Branch, as common security agents.

"**Additional Amounts**" shall have the meaning specified in Section 4.07(a).

"**Additional Interest**" means all amounts, if any, payable pursuant to Section 4.06(d), Section 4.06(e) and Section 6.03, as applicable.

"**Additional Shares**" shall have the meaning specified in Section 14.03(a).

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agents**" shall have the meaning specified in Section 4.02.

"**Applicable PRC Rate**" means (i) in the case of deduction or withholding of People's Republic of China income tax, 10%, (ii) in the case of deduction or withholding of People's Republic of China value added tax (including any related local levies), 6.72%, calculated on the basis of the maximum combined rate for VAT and related local surcharges applicable in an urban district in the People's Republic of China, or (iii) in the case of deduction or withholding of both People's Republic of China income tax and People's Republic of China value added tax (including any related local levies), 16.72%.

"**Board of Directors**" means the board of directors of the Company or a committee of such board duly authorized to act for it hereunder.

"**Board Resolution**" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"**Business Combination Event**" shall have the meaning specified in Section 11.01.

"**Business Day**" means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or required by law or executive order to close or be closed.

"**Capital Stock**" means, for any entity, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that entity.

"**Clause A Distribution**" shall have the meaning specified in Section 14.04(c).

"**Clause B Distribution**" shall have the meaning specified in Section 14.04(c).

"**Clause C Distribution**" shall have the meaning specified in Section 14.04(c).

"**close of business**" means 5:00 p.m. (New York City time).

"**Commission**" means the U.S. Securities and Exchange Commission.

"**Common Equity**" of any Person means Capital Stock of such Person that is generally entitled (a) to vote in the election of directors of such Person or (b) if such Person is not a corporation, to vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management or policies of such Person.

"**Common Shares**" means the common shares of the Company, no par value, at the date of this Indenture, subject to Section 14.07.

"**Company**" shall have the meaning specified in the first paragraph of this Indenture, and subject to the provisions of Article 11, shall include its successors and assigns.

"**Company Order**" means a written order of the Company, signed by the Company's Chief Executive Officer, Chief Financial Officer, President, Executive or Senior Vice President or any Vice President (whether or not designated by a number or numbers or word or words added before or after the title "Vice President") and delivered to the Trustee.

"**Conversion Agent**" shall have the meaning specified in Section 4.02.

"**Conversion Date**" shall have the meaning specified in Section 14.02(c).

"**Conversion Obligation**" shall have the meaning specified in Section 14.01.

"**Conversion Price**" means as of any date, $1,000, *divided by* the Conversion Rate as of such date.

"**Conversion Rate**" shall have the meaning specified in Section 14.01.

"**Corporate Trust Office**" means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 240 Greenwich Street, New York, NY 10286, USA, Attention: Global Corporate Trust -Canadian Solar Inc.; email: honctrmta@bny.com, and shall include a reference to the Specified Corporate Trust Office or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor trustee (or such other address as such successor trustee may designate from time to time by notice to the Holders and the Company).

"**Custodian**" means The Bank of New York Mellon, as custodian for The Depository Trust Company, with respect to the Global Notes, or any successor entity thereto.

"**De-Legending Deadline Date**" shall have the meaning specified in Section 4.06(e).

"**Default**" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

"**Default Interest**" shall have the meaning specified in Section 2.03(c).

"**Defaulted Amounts**" means any amounts on any Note (including, without limitation, the Redemption Price, the Fundamental Change Repurchase Price, principal and interest) that are payable but are not punctually paid or duly provided for.

"**Depositary**" means, with respect to each Global Note, the Person specified in Section 2.05(c) as the Depositary with respect to such Notes, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter, "**Depositary**" shall mean or include such successor.

"**Distributed Property**" shall have the meaning specified in Section 14.04(c).

"**Effective Date**" shall have the meaning specified in Section 14.03(c), except that, as used in Section 14.04, "**Effective Date**" means the first date on which Common Shares trade on the applicable exchange or in the applicable market, regular way, reflecting the relevant share split or share combination, as applicable.

"**Electronic Means**" means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee and/or the Agents, or another method or system specified by the Trustee and/or the Agents as available for use in connection with its services hereunder.

"**Event of Default**" shall have the meaning specified in Section 6.01.

"**Ex-Dividend Date**" means, with respect to any issuance, dividend or distribution to holders of Common Shares, the first date on which Common Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Common Shares on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exempted Fundamental Change**" shall have the meaning specified in Section 15.02(f).

"**FATCA**" shall have the meaning specified in Section 4.07(a)(i)(F).

"**Form of Assignment and Transfer**" means the "Form of Assignment and Transfer" attached as Attachment 3 to the Form of Note attached hereto as Exhibit A.

"**Form of Fundamental Change Repurchase Notice**" means the "Form of Fundamental Change Repurchase Notice" attached as Attachment 2 to the Form of Note attached hereto as Exhibit A.

"**Form of Note**" means the "Form of Note" attached hereto as Exhibit A.

"**Form of Notice of Conversion**" means the "Form of Notice of Conversion" attached as Attachment 1 to the Form of Note attached hereto as Exhibit A.

A "**Fundamental Change**" shall be deemed to have occurred at the time after the Notes are originally issued that any of the following occurs:

(a) a "person" or "group" (within the meaning of Section 13(d) of the Exchange Act), other than the Company, its Wholly Owned Subsidiaries and the employee benefit plans of the Company and its Wholly Owned Subsidiaries, files any report with the Commission indicating that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's Common Equity representing more than 50% of the voting power of the Company's Common Equity;

(b) the consummation of (A) any recapitalization, reclassification or change of the Common Shares (other than changes resulting from a subdivision or combination) as a result of which the Common Shares would be converted into, or exchanged for, stock, other securities, other property or assets; (B) any share exchange, consolidation, merger or similar transaction involving the Company pursuant to which the Common Shares will be converted into cash, securities or other property; or (C) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than one of the Company's Wholly Owned Subsidiaries; *provided, however*, that a transaction of the type set forth in clauses (A) or (B) in which the holders of all classes of the Company's Common Equity immediately prior to such transaction (each such holder, a "**Pre-Transaction Holder**") own, directly or indirectly, more than 50% of all classes of Common Equity of the continuing or surviving corporation or transferee or the direct or indirect parent thereof immediately after such event shall not be a Fundamental Change pursuant to this clause (b), so long as the proportion of the respective ownership of each Pre-Transaction Holder remains substantially the same relative to all other Pre-Transaction Holders;

(c) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

(d) the Common Shares (or other common stock underlying the Notes) ceases to be listed or quoted on any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors);

provided, *however*, that a transaction or transactions that constitute a Fundamental Change as a result of solely clause (b) above shall not constitute a Fundamental Change if at least 90% of the consideration received or to be received by the common stockholders

of the Company, excluding cash payments for fractional shares and cash payments made pursuant to dissenters' statutory appraisal rights, in connection with such transaction or transactions consists of shares of common stock that are listed or quoted on any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors) or will be so listed or quoted when issued or exchanged in connection with such transaction or transactions and as a result of such transaction or transactions the Notes become convertible into such consideration, excluding cash payments for fractional shares. The Trustee shall not be required to take any steps to ascertain whether a Fundamental Change or any event which could lead to a Fundamental Change has occurred and shall not be liable to any Person for any failure to do so.

For purposes of this definition of "Fundamental Change", any transaction that constitutes a Fundamental Change pursuant to both clause (a) and clause (b) of this definition (whether or not the *proviso* to clause (b) applies to such transaction) shall be deemed a Fundamental Change solely under clause (b) of this definition (subject to the *proviso* therein).

If any transaction in which the Common Shares are replaced by the securities of another entity occurs, following completion of any related Make-Whole Fundamental Change Period (or, in the case of a transaction that would have been a Fundamental Change or a Make-Whole Fundamental Change but for the proviso immediately following clause (d) of this definition, following the effective date of such transaction), references to the Company in this definition shall instead be references to such other entity.

"**Fundamental Change Company Notice**" shall have the meaning specified in Section 15.02(c).

"**Fundamental Change Repurchase Date**" shall have the meaning specified in Section 15.02(a).

"**Fundamental Change Repurchase Notice**" shall have the meaning specified in Section 15.02(b)(i).

"**Fundamental Change Repurchase Price**" shall have the meaning specified in Section 15.02(a).

"**Global Note**" shall have the meaning specified in Section 2.05(b).

"**Holder**," as applied to any Note, or other similar terms (but excluding the term "beneficial holder"), means any Person in whose name at the time a particular Note is registered on the Note Register.

"**Indenture**" means this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

"**Interest Payment Date**" means each January 15 and July 15 of each year, beginning on July 15, 2026.

"**Issue Date**" means January 13, 2026.

The "**Last Reported Sale Price**" of the Common Shares on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Common Shares are traded. If the Common Shares are not listed for trading on any U.S. national or regional securities exchange on the relevant date, the "**Last Reported Sale Price**" shall be the last quoted bid price for the Common Shares in the over-the-counter market on the relevant date as reported by OTC Markets Group Inc. or a similar organization. If the Common Shares are not so quoted, the "**Last Reported Sale Price**" shall be the average of the mid-point of the last bid and ask prices for the Common Shares on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Company for this purpose.

For the avoidance of doubt, if a Fundamental Change described in clause (d) of the definition thereof has occurred and the Newly Listed Equity has been accepted for listing on a Permitted Exchange, the "**Last Reported Sale Price**" will be determined based on the closing sale price of the Newly Listed Equity on the principal Permitted Exchange, with such changes to the foregoing definition (including the deletion of the second sentence in the paragraph immediately above) as the Company's Board of Directors determines in good faith are necessary to reflect the replacement of Common Shares (or other security) with the Newly Listed Equity as set forth in a supplemental indenture to be executed by the Company and the Trustee as described under Section 15.02(g).

"**Make-Whole Fundamental Change**" means any transaction or event that constitutes a Fundamental Change (as defined above and determined after giving effect to any exceptions to or exclusions from such definition, but without regard to the *proviso* in clause (b) of the definition thereof).

"**Make-Whole Fundamental Change Period**" shall have the meaning specified in Section 14.03(a).

"**Maturity Date**" means January 15, 2031.

"**Merger Event**" shall have the meaning specified in Section 14.07(a).

"**New Listing Reference Date**" shall have the meaning specified in Section 15.02(g).

"**Newly Listed Equity**" shall have the meaning specified in Section 15.02(g).

"**Note**" or "**Notes**" shall have the meaning specified in the first paragraph of the recitals of this Indenture.

"**Note Register**" shall have the meaning specified in Section 2.05(a).

"**Note Registrar**" shall have the meaning specified in Section 2.05(a).

"**Notice of Conversion**" shall have the meaning specified in Section 14.02(b).

"**Offering Memorandum**" means the preliminary offering memorandum dated January 7, 2026, as supplemented by the pricing term sheet dated January 8, 2026, relating to the offering and sale of the Notes.

"**Officer**" means, with respect to the Company, the President, the Chief Executive Officer, the Chief Financial Officer, the Treasurer, the Secretary, any Executive or Senior Vice President or any Vice President (whether or not designated by a number or numbers or word or words added before or after the title "Vice President").

"**Officer's Certificate**," when used with respect to the Company, means a certificate that is delivered to the Trustee and that is signed by one Officer of the Company. Each such certificate shall include the statements provided for in Section 18.07 if and to the extent required by the provisions of such Section.

"**open of business**" means 9:00 a.m. (New York City time).

"**Opinion of Counsel**" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to the Company, or other counsel and such opinion shall be acceptable to the Trustee, that is delivered to the Trustee. Each such opinion shall include the statements provided for in Section 18.07 if and to the extent required by the provisions of such Section 18.07.

"**Optional Redemption**" shall have the meaning specified in Section 16.01.

"**Optional Redemption Date**" shall have the meaning specified in Section 16.02.

"**Optional Redemption Notice**" shall have the meaning specified in Section 16.02.

"**outstanding**," when used with reference to Notes, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except:

(a) Notes theretofore canceled by the Note Registrar or accepted by the Note Registrar for cancellation;

(b) Notes, or portions thereof, that have become due and payable and in respect of which monies in the necessary amount shall have been deposited in trust with the Trustee or with any Paying Agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent);

(c) Notes that have been paid pursuant to Section 2.06 or Notes in lieu of which, or in substitution for which, other Notes shall have been authenticated and delivered pursuant to the terms of Section 2.06 unless proof satisfactory to the Trustee is presented that any such Notes are held by protected purchasers in due course;

(d) Notes converted pursuant to Article 14 and required to be cancelled pursuant to Section 2.08;

(e) Notes redeemed pursuant to Article 16 and Article 17; and

(f) Notes repurchased by the Company pursuant to the penultimate sentence of Section 2.10.

"**Paying Agent**" shall have the meaning specified in Section 4.02.

"**Permitted Exchange**" means the Singapore Exchange Securities Trading Limited, the Hong Kong Stock Exchange or the London Stock Exchange (or any of their respective successors).

"**Person**" means an individual, a corporation, a limited liability company, an association, a partnership, a joint venture, a joint stock company, a trust, an unincorporated organization or a government or an agency or a political subdivision thereof.

"**Physical Notes**" means permanent certificated Notes in registered form issued in denominations of $1,000 principal amount and integral multiples thereof.

"**Predecessor Note**" of any particular Note means every previous Note evidencing all or a portion of the same debt as that evidenced by such particular Note; and, for the purposes of this definition, any Note authenticated and delivered under Section 2.06 in lieu of or in exchange for a mutilated, lost, destroyed or stolen Note shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Note that it replaces.

"**Qualified Successor Entity**" means, with respect to a Business Combination Event, a corporation (or equivalent entity); *provided*, however, that a limited liability company, limited partnership or other similar entity will also constitute a Qualified Successor Entity with respect to such Business Combination Event if either (i) such Business Combination Event is an Exempted Fundamental Change or (ii) both of the following conditions are satisfied: (1) either (x) such limited liability company, limited partnership or other similar entity, as applicable, is treated as a corporation or is a direct or indirect wholly owned subsidiary of, and disregarded as an entity separate from, a corporation, in each case for U.S. federal income tax purposes, or (y) the Company has received an opinion of a nationally recognized tax counsel to the effect that such Business Combination Event will not be treated as an exchange under Section 1001 of the U.S. Internal Revenue Code of 1986, as amended, for Holders or beneficial owners of the Notes; and (2) such Business Combination Event constitutes a Merger Event whose Reference Property consists solely of any combination of cash in U.S. dollars and Common Shares or other corporate common equity interests of an entity that is (x) treated as a corporation for U.S. federal income tax purposes, (y) duly organized and existing under the laws of Canada or any province or territory thereof, the United States of America or any State thereof or the District of Columbia, or the Cayman Islands, Singapore or Hong Kong and (z) the direct or indirect parent of such limited liability company, limited partnership or other similar entity.

"**Record Date**" means, with respect to any dividend, distribution or other transaction or event in which the holders of Common Shares have the right to receive any cash, securities or

other property or in which the Common Shares are exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of shareholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors, statute, contract or otherwise).

"**Redemption Price**" means, for any Notes to be redeemed pursuant to Section 16.01 or Section 17.01, 100% of the principal amount of such Notes, *plus* accrued and unpaid interest (including any Additional Amounts in the case of a Tax Redemption), if any, to, but excluding, the Optional Redemption Date or the Tax Redemption Date, as the case may be (unless the Optional Redemption Date or Tax Redemption Date, as the case may be, falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, in which case the Redemption Price will be equal to 100% of the principal amount of such Notes).

"**Reference Property**" shall have the meaning specified in Section 14.07(a).

"**Regular Record Date**," with respect to any Interest Payment Date, means the January 1 or July 1 (whether or not such day is a Business Day) immediately preceding the applicable January 15 or July 15 Interest Payment Date, respectively.

"**Relevant Taxing Jurisdiction**" shall have the meaning set forth in Section 4.07(a).

"**Resale Restriction Termination Date**" shall have the meaning specified in Section 2.05(c).

"**Responsible Officer**" means, when used with respect to the Trustee, any officer within the Corporate Trust Office of the Trustee, including any director, vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee located at the Specified Corporate Trust Office who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"**Restricted Securities**" shall have the meaning specified in Section 2.05(c).

"**Rule 144**" means Rule 144 as promulgated under the Securities Act.

"**Rule 144A**" means Rule 144A as promulgated under the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Significant Subsidiary**" means a Subsidiary of the Company that meets the definition of "significant subsidiary" in Article 1, Rule 1-02 of Regulation S-X under the Exchange Act.

"**Specified Corporate Trust Office"** means The Bank of New York Mellon, Hong Kong Branch located at Level 26, Three Pacific Place, 1 Queen's Road East, Hong Kong; Attention: Corporate Trust - Canadian Solar Inc.; email: honctrmta@bny.com.

"**Spin-Off**" shall have the meaning specified in Section 14.04(c).

"**Stock Price**" shall have the meaning specified in Section 14.03(c).

"**Subsidiary**" means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

"**Successor Company**" shall have the meaning specified in Section 11.01(a).

"**Tax Act**" means the Income Tax Act (Canada).

"**Tax Redemption**" shall have the meaning specified in Section 17.01.

"**Tax Redemption Date**" shall have the meaning specified in Section 17.02(a).

"**Tax Redemption Notice**" shall have the meaning specified in Section 17.02(a).

"**Trading Day**" means a day on which (i) trading in the Common Shares (or other security for which a closing sale price must be determined) generally occurs on the Nasdaq Global Select Market or, if the Common Shares (or such other security) are not then listed on the Nasdaq Global Select Market, on the principal other U.S. national or regional securities exchange on which the Common Shares (or such other security) are then listed or, if the Common Shares (or such other security) are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Common Shares (or such other security) are then traded and (ii) a Last Reported Sale Price for the Common Shares (or closing sale price for such other security) is available on such securities exchange or market; *provided* that if the Common Shares (or such other security) are not so listed or traded, "Trading Day" means a Business Day.

"**transfer**" shall have the meaning specified in Section 2.05(c).

"**Transfer Agent**" shall have the meaning specified in Section 4.02.

"**Trigger Event**" shall have the meaning specified in Section 14.04(c).

"**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended, as it was in force at the date of execution of this Indenture; *provided*, *however*, that in the event the Trust Indenture Act of 1939 is amended after the date hereof, the term "Trust Indenture Act" shall mean, to the extent required by such amendment, the Trust Indenture Act of 1939, as so amended.

"**Trustee**" means the Person named as the "**Trustee**" in the first paragraph of this Indenture until a successor trustee shall have become such pursuant to the applicable provisions

of this Indenture, and thereafter "**Trustee**" shall mean or include each Person who is then a Trustee hereunder.

"**unit of Reference Property**" shall have the meaning specified in Section 14.07(a).

"**Valuation Period**" shall have the meaning specified in Section 14.04(c).

"**Wholly Owned Subsidiary**" means, with respect to any Person, any Subsidiary of such Person, except that, solely for purposes of this definition, the reference to "50%" in the definition of "Subsidiary" shall be deemed replaced by a reference to "100%".

Section 1.02 *References to Interest.* Unless the context otherwise requires, any reference to interest on, or in respect of, any Note in this Indenture shall be deemed to include Additional Interest if, in such context, Additional Interest is, was or would be payable pursuant to any of Section 4.06(d), Section 4.06(e) and Section 6.03. Unless the context otherwise requires, any express mention of Additional Interest in any provision hereof shall not be construed as excluding Additional Interest in those provisions hereof where such express mention is not made.

ARTICLE 2
ISSUE, DESCRIPTION, EXECUTION, REGISTRATION AND EXCHANGE OF NOTES

Section 2.01 *Designation and Amount.* The Notes shall be designated as the "3.25% Convertible Senior Notes due 2031." The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is initially limited to $230,000,000, subject to Section 2.10 and except for Notes authenticated and delivered upon registration or transfer of, or in exchange for, or in lieu of other Notes pursuant to any express provision hereof.

Section 2.02 *Form of Notes.* The Notes and the Trustee's certificate of authentication to be borne by such Notes shall be substantially in the respective forms set forth in Exhibit A, the terms and provisions of which shall constitute, and are hereby expressly incorporated in and made a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Any Global Note may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Indenture as may be required by the Custodian or the Depositary, or as may be required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange or automated quotation system upon which the Notes may be listed or traded or designated for issuance or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Notes are subject.

Any of the Notes may have such letters, numbers or other marks of identification and such notations, legends or endorsements as the Officer executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any securities exchange or

automated quotation system on which the Notes may be listed or designated for issuance, or to conform to usage or to indicate any special limitations or restrictions to which any particular Notes are subject.

Each Global Note shall represent such principal amount of the outstanding Notes as shall be specified therein and shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be increased or reduced to reflect repurchases, redemptions, cancellations, conversions, transfers or exchanges permitted hereby. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Custodian, at the direction of the Trustee, in such manner and upon instructions given by the Holder of such Notes in accordance with this Indenture. Payment of principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, a Global Note shall be made to the Holder of such Note on the date of payment, unless a record date or other means of determining Holders eligible to receive payment is provided for herein.

Section 2.03 *Date and Denomination of Notes; Payments of Interest and Defaulted Amounts.* (a) The Notes shall be issuable in registered form without coupons in denominations of $1,000 principal amount and integral multiples thereof. Each Note shall be dated the date of its authentication and shall bear interest from the date specified on the face of such Note. Accrued interest on the Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months and, for partial months, on the basis of actual days elapsed in a 30-day month.

(b) The Person in whose name any Note (or its Predecessor Note) is registered on the Note Register at the close of business on any Regular Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable semi-annually in arrears on such Interest Payment Date. The principal amount of Physical Notes shall be payable upon presentation of the Physical Note at the office or agency of the Company maintained by the Company for such purposes in the contiguous United States of America, which shall initially be the Corporate Trust Office. The Company shall pay, or cause the Paying Agent to pay, (i) interest on any Physical Notes (A) to Holders holding Physical Notes having an aggregate principal amount of $5,000,000 or less, by check mailed to the Holders of these Notes at their address as it appears in the Note Register (in which case the Company will act as its own Paying Agent) and (B) to Holders holding Physical Notes having an aggregate principal amount of more than $5,000,000, either by check mailed to each Holder (in which case the Company will act as its own Paying Agent) or, upon application by such a Holder to the Note Registrar not later than the relevant Regular Record Date, by wire transfer in immediately available funds to that Holder's account within the United States of America specified in such application, which application shall remain in effect until the Holder notifies, in writing, the Note Registrar to the contrary or (ii) the principal of, or interest on, any Global Note by wire transfer of immediately available funds to the account of the Depositary or its nominee. For the avoidance of doubt, all payments made by The Bank of New York Mellon acting as the Paying Agent will be made by wire transfer only.

(c) Any Defaulted Amounts shall forthwith cease to be payable to the Holder on the relevant payment date but shall accrue interest per annum at the rate borne by the Notes *plus* 0.50% (such interest, if any, is referred to as "**Default Interest**") subject to the enforceability thereof under applicable law, from, and including, such relevant payment date, and such Defaulted Amounts together with such interest thereon shall be paid by the Company, at its election in each case, as provided in clause (i) or (ii) below:

(i) The Company may elect to make payment of any Defaulted Amounts to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on a special record date for the payment of such Defaulted Amounts, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of the Defaulted Amounts proposed to be paid on each Note and the date of the proposed payment (which shall be not less than 25 days after the receipt by the Trustee of such notice, unless the Trustee shall consent to an earlier date), and the Company shall deposit with the Paying Agent an amount of money equal to the aggregate amount to be paid in respect of such Defaulted Amounts at least one Business Day prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Amounts as in this clause provided. Thereupon the Company shall fix a special record date for the payment of such Defaulted Amounts which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment, and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Company shall promptly notify the Trustee of such special record date and cause notice of the proposed payment of such Defaulted Amounts and the special record date therefor to be sent to each Holder at its address as it appears in the Note Register or, in the case of Global Notes, sent electronically in accordance with the applicable procedures of the Depositary, not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Amounts and the special record date therefor having been so sent, such Defaulted Amounts shall be paid to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered at the close of business on such special record date and shall no longer be payable pursuant to the following clause (ii) of this Section 2.03(c).

(ii) The Company may make payment of any Defaulted Amounts to the Persons in whose names the Notes (or their respective Predecessor Notes) are registered in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Notes may be listed or designated for issuance, and upon such notice as may be required by such exchange or automated quotation system.

Section 2.04 *Execution, Authentication and Delivery of Notes.* The Notes shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its Officer. With the delivery of this Indenture, the Company is furnishing, and from time to time thereafter may furnish, a certificate substantially in the form of Exhibit B (an "**Authorization Certificate**") identifying and certifying the incumbency and specimen (and/or facsimile) signatures of its active authorized Officers. Until the Trustee receives a subsequent Authorization Certificate, the Trustee shall be entitled to conclusively rely on the last

Authorization Certificate delivered to it for purposes of determining the relevant authorized Officers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Trustee.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Notes executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Notes, and the Trustee in accordance with such Company Order shall authenticate and deliver such Notes, without any further action by the Company hereunder.

The Company Order shall specify the amount of Notes to be authenticated, the applicable rate at which interest (if any) will accrue on such Notes, the date on which the original issuance of such Notes is to be authenticated, the date from which interest (if any) will begin to accrue, the date or dates on which interest (if any) on such Notes will be payable and the date on which the principal of such Notes will be payable and other terms relating to such Notes. The Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company (as set forth in such Company Order).

Only such Notes as shall bear thereon a certificate of authentication substantially in the form set forth on the form of Note attached as Exhibit A hereto, executed manually or by facsimile by an authorized officer of the Trustee (or an authenticating agent appointed by the Trustee as provided by Section 18.12), shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee (or such an authenticating agent) upon any Note executed by the Company shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

In case any Officer of the Company who shall have signed any of the Notes shall cease to be such Officer before the Notes so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Notes nevertheless may be authenticated and delivered or disposed of as though the person who signed such Notes had not ceased to be such Officer of the Company; and any Note may be signed on behalf of the Company by such persons as, at the actual date of the execution of such Note, shall be the Officers of the Company, although at the date of the execution of this Indenture any such person was not such an Officer.

Section 2.05 *Exchange and Registration of Transfer of Notes; Restrictions on Transfer; Depositary.* (a) The Company shall cause to be kept at the Corporate Trust Office a register (the register maintained in such office or in any other office or agency of the Company designated pursuant to Section 4.02, the "**Note Register**") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. Such register shall be in written form or in any form capable of being converted into written form within a reasonable period of time. The Bank of New York Mellon is hereby initially appointed the "**Note Registrar**" for the purpose of registering Notes and transfers of Notes as herein provided. The Company may appoint one or more co-Note Registrars in accordance with Section 4.02.

Upon surrender for registration of transfer of any Note to the Note Registrar or any co-Note Registrar, and satisfaction of the requirements for such transfer set forth in this Section 2.05, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of any authorized denominations and of a like aggregate principal amount and bearing such restrictive legends as may be required by this Indenture.

Notes may be exchanged for other Notes of any authorized denominations and of a like aggregate principal amount, upon surrender of the Notes to be exchanged at any such office or agency maintained by the Company pursuant to Section 4.02. Whenever any Notes are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Notes that the Holder making the exchange is entitled to receive, bearing registration numbers not contemporaneously outstanding.

All Notes presented or surrendered for registration of transfer or for exchange, repurchase or conversion shall (if so required by the Company, the Trustee, the Note Registrar or any co-Note Registrar) be duly endorsed, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and duly executed, by the Holder thereof or its attorney-in-fact duly authorized in writing.

No service charge shall be imposed by the Company, the Trustee, the Note Registrar, any co-Note Registrar or the Paying Agent for any exchange or registration of transfer of Notes, but the Company may require a Holder to pay a sum sufficient to cover any documentary, stamp or similar issue or transfer tax required because the Holder requests Common Shares to be issued in a name other than the Holder's name.

None of the Company, the Trustee, the Note Registrar or any co-Note Registrar shall be required to exchange or register a transfer of (i) any Notes surrendered for conversion or, if a portion of any Note is surrendered for conversion, such portion thereof surrendered for conversion, (ii) any Notes, or a portion of any Note, surrendered for repurchase (and not withdrawn) in accordance with Article 15 or (iii) in the event of any Optional Redemption in part of the Notes pursuant to Article 16, any Note so selected for redemption, except the unredeemed portion thereof, if applicable.

All Notes issued upon any registration of transfer or exchange of Notes in accordance with this Indenture shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture as the Notes surrendered upon such registration of transfer or exchange.

(b) So long as the Notes are eligible for book-entry settlement with the Depositary, unless otherwise required by law, subject to the fourth paragraph from the end of Section 2.05(c), all Notes shall be represented by one or more Notes in global form (each, a "**Global Note**") registered in the name of the Depositary or the nominee of the Depositary. The transfer and exchange of beneficial interests in a Global Note that does not involve the issuance of a Physical Note shall be effected through the Depositary in accordance with this Indenture (including the restrictions on transfer set forth herein) and the procedures of the Depositary therefor.

(c) Every Note that bears or is required under this Section 2.05(c) to bear any legend set forth in this Section 2.05(c) (together with any Common Shares issued upon conversion of the Notes that is required to bear any legend set forth in Section 2.05(d), collectively, the "**Restricted Securities**") shall be subject to the restrictions on transfer set forth in this Section 2.05(c) (including the legend set forth below), unless such restrictions on transfer shall be eliminated or otherwise waived by written consent of the Company, and the Holder of each such Restricted Security, by such Holder's acceptance thereof, agrees to be bound by all such restrictions on transfer. As used in this Section 2.05(c) and Section 2.05(d), the term "**transfer**" encompasses any sale, pledge, transfer or other disposition whatsoever of any Restricted Security.

Until the date (the "**Resale Restriction Termination Date**") that is the later of (1) the date that is one year after the Issue Date, or such shorter period of time as permitted by Rule 144 under the Securities Act or any successor provision thereto, and (2) such later date, if any, as may be required by applicable law, any certificate evidencing a Note (and all securities issued in exchange therefor or substitution thereof, other than Common Shares, if any, issued upon conversion thereof, which shall bear the applicable legend set forth in Section 2.05(d), if applicable) shall bear a legend in substantially the following form (unless such Notes have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or sold pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company in writing, with notice thereof to the Trustee):

THIS SECURITY AND THE COMMON SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF CANADIAN SOLAR INC. (THE "COMPANY"), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT

OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE).

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE (2)(D) ABOVE, THE COMPANY AND THE TRANSFER AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS NOTE OR THE COMMON SHARES ISSUABLE UPON CONVERSION THEREOF, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.

No transfer of any Note prior to the Resale Restriction Termination Date will be registered by the Note Registrar unless the applicable box on the Form of Assignment and Transfer has been checked.

Any Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of such Note for exchange to the Note Registrar in accordance with the provisions of this Section 2.05, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the restrictive legend required by this Section 2.05(c) and shall not be assigned a restricted CUSIP number. The Company shall be entitled to instruct the Custodian in writing to so surrender any Global Note as to which such restrictions on transfer shall have expired in accordance with their terms for exchange, and, upon such instruction, the Custodian shall so surrender such Global Note for exchange; and any new Global Note so exchanged therefor shall not bear the restrictive legend specified in this Section 2.05(c) and shall not be assigned a restricted CUSIP number. The Company shall promptly notify the Trustee upon the occurrence of the Resale Restriction Termination Date and promptly after a registration statement, if any,

with respect to the Notes or any Common Shares issued upon conversion of the Notes has been declared effective under the Securities Act.

Notwithstanding any other provisions of this Indenture (other than the provisions set forth in this Section 2.05(c)), a Global Note may not be transferred as a whole or in part except (i) by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary and (ii) for transfers of portions of a Global Note in certificated form made upon request of a member of, or a participant in, the Depositary (for itself or on behalf of a beneficial owner) by written notice given to the Trustee by or on behalf of the Depositary in accordance with customary procedures of the Depositary and in compliance with this Section 2.05(c).

The Depositary shall be a clearing agency registered under the Exchange Act. The Company initially appoints The Depository Trust Company to act as Depositary with respect to each Global Note. Initially, each Global Note shall be issued to the Depositary, registered in the name of Cede & Co., as the nominee of the Depositary, and deposited with The Bank of New York Mellon as custodian for Cede & Co.

If (i) the Depositary notifies the Company at any time that the Depositary is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days, (ii) the Depositary ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days or (iii) an Event of Default with respect to the Notes has occurred and is continuing and a beneficial owner of any Note requests that its beneficial interest therein be issued as a Physical Note, the Company shall execute, and the Trustee, upon receipt of an Officer's Certificate and a Company Order for the authentication and delivery of Notes, shall authenticate and deliver (x) in the case of clause (iii), a Physical Note to such beneficial owner in a principal amount equal to the principal amount of such Note corresponding to such beneficial owner's beneficial interest and (y) in the case of clause (i) or (ii), Physical Notes to each beneficial owner of the related Global Notes (or a portion thereof) in an aggregate principal amount equal to the aggregate principal amount of such Global Notes in exchange for such Global Notes, and upon delivery of the Global Notes to the Note Registrar such Global Notes shall be canceled.

Physical Notes issued in exchange for all or a part of the Global Note pursuant to this Section 2.05(c) shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. Upon execution and authentication, the Trustee shall deliver such Physical Notes to the Persons in whose names such Physical Notes are so registered.

At such time as all interests in a Global Note have been converted, canceled, repurchased, redeemed or transferred, such Global Note shall be, upon receipt thereof, canceled by the Note Registrar in accordance with standing procedures and existing instructions between the Depositary and the Custodian. At any time prior to such cancellation, if any interest in a Global Note is exchanged for Physical Notes, converted, canceled, repurchased, redeemed or transferred to a transferee who receives Physical Notes therefor or any Physical Note is exchanged or transferred for part of such Global Note, the principal amount of such Global Note shall, in

accordance with the standing procedures and instructions existing between the Depositary and the Custodian, be appropriately reduced or increased, as the case may be, and an endorsement shall be made on such Global Note, by the Trustee or the Custodian, at the direction of the Trustee, to reflect such reduction or increase.

None of the Company, the Trustee or any agent of the Company or the Trustee shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Note or maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Neither the Company nor the Trustee, the Paying Agent or Conversion Agent has any responsibility or liability for any act or omission of the Depositary.

(d) Until the Resale Restriction Termination Date, any stock certificate representing Common Shares issued upon conversion of a Note shall bear a legend in substantially the following form (unless the Note or such Common Shares have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or such Common Shares have been issued upon conversion of Notes that have been transferred pursuant to a registration statement that has become or been declared effective under the Securities Act and that continues to be effective at the time of such transfer, or pursuant to the exemption from registration provided by Rule 144 or any similar provision then in force under the Securities Act, or unless otherwise agreed by the Company with written notice thereof to the Trustee and any transfer agent for the Common Shares):

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF CANADIAN SOLAR INC. (THE "**COMPANY**"), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OF THE SERIES OF NOTES UPON THE CONVERSION OF WHICH THIS SECURITY WAS ISSUED OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH

LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE).

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE (2)(D) ABOVE, THE COMPANY AND THE TRANSFER AGENT FOR THE COMMON SHARES RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS SECURITY OR A BENEFICIAL INTEREST HEREIN.

Any such Common Shares as to which such restrictions on transfer shall have expired in accordance with their terms may, upon surrender of the certificates representing such Common Shares for exchange in accordance with the procedures of the transfer agent for the Common Shares, be exchanged for a new certificate or certificates for a like aggregate number of Common Shares, which shall not bear the restrictive legend required by this Section 2.05(d).

Any Note or Common Shares issued upon the conversion or exchange of a Note that is repurchased or owned by any Affiliate of the Company (or any Person who was an Affiliate of the Company at any time during the three months immediately preceding) may not be resold by such Affiliate (or such Person, as the case may be) unless registered under the Securities Act or resold pursuant to an exemption, or in a transaction not subject to, from the registration requirements of the Securities Act in a transaction that results in such Note or Common Shares, as the case may be, no longer being a “restricted security” (as defined under Rule 144 under the Securities Act). The Company shall cause any Note that is repurchased or owned by it to be surrendered to the Note Registrar for cancellation in accordance with Section 2.08.

Section 2.06 *Mutilated, Destroyed, Lost or Stolen Notes.* In case any Note shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its written request the Trustee or an authenticating agent appointed by the Trustee shall authenticate and deliver, a new Note, bearing a registration number not contemporaneously outstanding, in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substituted Note shall furnish to the Company, to the Trustee and, if applicable, to such authenticating agent such security or indemnity as may be required by them to save each of them harmless from any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company, to the Trustee and, if applicable, to such authenticating agent evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

The Trustee or such authenticating agent may authenticate any such substituted Note and deliver the same upon the receipt of such security or indemnity as the Trustee, the Company and, if applicable, such authenticating agent may require. No service charge shall be imposed by the Company, the Trustee, the Note Registrar, any co-Note Registrar or the Paying Agent upon the issuance of any substitute Note, but the Company may require a Holder to pay a sum sufficient to cover any documentary, stamp or similar issue or transfer tax required in connection therewith as a result of the name of the Holder of the new substitute Note being different from the name of the Holder of the old Note that became mutilated or was destroyed, lost or stolen. In case any Note that has matured or as to which a Notice of Conversion or Fundamental Change Repurchase Notice has been duly delivered shall become mutilated or be destroyed, lost or stolen, the Company may, in its sole discretion, instead of issuing a substitute Note, pay or authorize the payment of or convert or authorize the conversion of the same (without surrender thereof except in the case of a mutilated Note), as the case may be, if the applicant for such payment or conversion shall furnish to the Company, to the Trustee and, if applicable, to such authenticating agent such security or indemnity as may be required by them to save each of them harmless for any loss, liability, cost or expense caused by or connected with such substitution, and, in every case of destruction, loss or theft, evidence satisfactory to the Company, the Trustee and, if applicable, any Paying Agent or Conversion Agent evidence of their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section 2.06 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits of (but shall be subject to all the limitations set forth in) this Indenture equally and proportionately with any and all other Notes duly issued hereunder. To the extent permitted by law, all Notes shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement, payment, redemption, conversion or repurchase of mutilated, destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement, payment, redemption, conversion or repurchase of negotiable instruments or other securities without their surrender.

Section 2.07 *Temporary Notes.* Pending the preparation of Physical Notes, the Company may execute and the Trustee or an authenticating agent appointed by the Trustee shall,

upon written request of the Company, authenticate and deliver temporary Notes (printed or lithographed). Temporary Notes shall be issuable in any authorized denomination, and substantially in the form of the Physical Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Company. Every such temporary Note shall be executed by the Company and authenticated by the Trustee or such authenticating agent upon the same conditions and in substantially the same manner, and with the same effect, as the Physical Notes. Without unreasonable delay, the Company shall execute and deliver to the Trustee or such authenticating agent Physical Notes (other than any Global Note) and thereupon any or all temporary Notes (other than any Global Note) may be surrendered in exchange therefor, at each office or agency maintained by the Company pursuant to Section 4.02 and the Trustee or such authenticating agent shall authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of Physical Notes. Such exchange shall be made by the Company at its own expense and without any charge therefor. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits and subject to the same limitations under this Indenture as Physical Notes authenticated and delivered hereunder.

Section 2.08 *Cancellation of Notes Paid, Converted, Etc.* The Company shall cause all Notes surrendered for the purpose of payment, repurchase, redemption, registration of transfer or exchange or conversion, if surrendered to any Person other than the Trustee (including any of the Company's Agents, Subsidiaries or Affiliates), to be surrendered to the Note Registrar for cancellation. All Notes delivered to the Note Registrar shall be canceled promptly by it, and no Notes shall be authenticated in exchange thereof except as expressly permitted by any of the provisions of this Indenture. The Note Registrar shall dispose of canceled Notes in accordance with its customary procedures and, after such disposition, shall deliver a certificate of such cancellation and disposition to the Company, at the Company's written request in a Company Order.

Section 2.09 *CUSIP Numbers.* The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in all notices issued to Holders as a convenience to such Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or on such notice and that reliance may be placed only on the other identification numbers printed on the Notes. The Company shall promptly notify the Trustee and the Agents in writing of any change in the "CUSIP" numbers.

Section 2.10 *Additional Notes; Repurchases.* The Company may, without the consent of, or notice to, the Holders and notwithstanding Section 2.01, reopen this Indenture and issue additional Notes hereunder with the same terms as the Notes issued hereunder (other than differences in the issue price, issue date and interest accrued, if any, and, if applicable restrictions on transfer in respect of such additional Notes) in an unlimited aggregate principal amount; *provided* that if any such additional Notes are not fungible with the Notes issued hereunder for U.S. federal securities law or income tax purposes, such additional Notes shall not have the same CUSIP, ISIN or other identifying number as the outstanding Notes. Prior to the issuance of any such additional Notes, the Company shall deliver to the Trustee a Company Order, an Officer's Certificate and an Opinion of Counsel, such Officer's Certificate and Opinion of Counsel to cover such matters, in addition to those required by Section 18.07, as the

Trustee shall reasonably request. In addition, the Company may from time to time itself or through its Subsidiaries and directly or indirectly repurchase Notes in open market repurchases, private or public tender or exchange offers or other negotiated transactions, including by cash-settled swaps or other derivatives, without the consent of, or prior notice to, the Holders. The Company shall cause any Notes so repurchased (other than any Notes repurchased pursuant to cash-settled swaps or other derivatives) to be surrendered to the Note Registrar for cancellation in accordance with Section 2.08.

ARTICLE 3
SATISFACTION AND DISCHARGE

Section 3.01 *Satisfaction and Discharge.* This Indenture shall upon request of the Company contained in an Officer's Certificate cease to be of further effect, and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when (a) (i) all Notes theretofore authenticated and delivered (other than (x) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.06 and (y) Notes for which payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from trust as provided in Section 4.04) have been delivered to the Note Registrar for cancellation; or (ii) the Company has deposited with the Trustee or delivered to Holders, as applicable, after the Notes have become due and payable, whether on the Maturity Date, any Fundamental Change Repurchase Date or upon redemption or conversion or otherwise, cash or Common Shares, if any (solely to satisfy the Company's Conversion Obligation, if applicable), sufficient to pay all of the outstanding Notes or to satisfy the Company's Conversion Obligation, as the case may be, and to pay all other sums due and payable under this Indenture by the Company; and (b) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 7.08 shall survive.

ARTICLE 4
PARTICULAR COVENANTS OF THE COMPANY

Section 4.01 *Payment of Principal and Interest.* The Company covenants and agrees that it will cause to be paid the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, each of the Notes at the places, at the respective times and in the manner provided herein and in the Notes.

Section 4.02 *Maintenance of Office or Agency.* The Company will maintain in the contiguous United States of America, an office or agency where the Notes may be surrendered for registration of transfer or exchange ("**Transfer Agent**") or for presentation for payment or repurchase ("**Paying Agent**") or for conversion ("**Conversion Agent**") and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such

presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office or the office or agency of the Trustee in the contiguous United States of America.

The Company may also from time to time designate as co-Note Registrars one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided* that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the contiguous United States of America, for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency. The terms "**Paying Agent**" and "**Conversion Agent**" include any such additional or other offices or agencies, as applicable.

The Company hereby initially designates The Bank of New York Mellon as the Paying Agent, Note Registrar, Custodian, Conversion Agent, and Transfer Agent (collectively, the "**Agents**") and the Corporate Trust Office as the office or agency in the contiguous United States of America, where Notes may be surrendered for registration of transfer or exchange or for presentation for payment, redemption or repurchase or for conversion and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served.

Section 4.03 *Appointments to Fill Vacancies in Trustee's Office.* The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.12, a Trustee, so that there shall at all times be a Trustee hereunder.

Section 4.04 *Provisions as to Paying Agent.* (a) If the Company shall appoint a Paying Agent other than the Trustee, the Company will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 4.04:

(i) that it will hold all sums held by it as such agent for the payment of the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Notes in trust for the benefit of the Holders of the Notes;

(ii) that it will give the Trustee prompt notice of any failure by the Company to make any payment of the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Notes when the same shall be due and payable; and

(iii) that at any time during the continuance of an Event of Default, upon request of the Trustee, it will forthwith pay to the Trustee all sums so held in trust.

The Company shall, on or before noon New York City time one Business Day prior to each due date of the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest on, the Notes, deposit with the Paying Agent a sum in U.S. Dollars in immediately available funds sufficient to pay such principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) or accrued and unpaid interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of any failure to take such action; *provided* that if

such deposit is made on the due date, such deposit must be received by the Paying Agent by 11:00 a.m., New York City time, on such date.

(b) If the Company shall act as its own Paying Agent, it will, on or before each due date of the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, the Notes, set aside, segregate and hold in trust for the benefit of the Holders of the Notes a sum sufficient to pay such principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) and accrued and unpaid interest so becoming due and will promptly notify the Trustee in writing of any failure to take such action and of any failure by the Company to make any payment of the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, or accrued and unpaid interest on, the Notes when the same shall become due and payable. Upon an Event of Default under Section 6.01(i) or Section 6.01(j), the Trustee shall automatically become the Paying Agent.

(c) Anything in this Section 4.04 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay, cause to be paid or deliver to the Trustee all sums or amounts held in trust by the Company or any Paying Agent hereunder as required by this Section 4.04, such sums or amounts to be held by the Trustee upon the trusts herein contained and upon such payment or delivery by the Company or any Paying Agent to the Trustee, the Company or such Paying Agent shall be released from all further liability but only with respect to such sums or amounts.

(d) Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, and accrued and unpaid interest on, any Note and remaining unclaimed for two years after such principal (including the Redemption Price and Fundamental Change Repurchase Price, if applicable) or interest has become due and payable shall be paid to the Company on request of the Company contained in an Officer's Certificate, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 4.05 *Existence.* Subject to Article 11, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

Section 4.06 *Rule 144A Information Requirement and Annual Reports.* (a) At any time the Company is not subject to Section 13 or 15(d) of the Exchange Act, the Company shall, so long as any of the Notes or any Common Shares issuable upon conversion thereof shall, at such

time, constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, promptly provide to the Trustee and, upon written request, any Holder, beneficial owner or prospective purchaser of such Notes or any Common Shares issuable upon conversion of such Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to facilitate the resale of such Notes or Common Shares pursuant to Rule 144A. The Company shall take such further action as any Holder or beneficial owner of such Notes or such Common Shares may reasonably request to the extent from time to time required to enable such Holder or beneficial owner to sell such Notes or Common Shares in accordance with Rule 144A, as such rule may be amended from time to time.

(b) The Company shall deliver to the Trustee, within 15 days after the same are required to be filed with the Commission (giving effect to any applicable grace period provided by Rule 12b-25 under the Exchange Act), copies of any documents or reports that the Company is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act (excluding any such information, documents or reports, or portions thereof, with respect to which the Company has received (or is actively seeking in good faith and have not been denied), confidential treatment and any correspondence with the Commission). Any such document or report that the Company files with the Commission via the Commission's EDGAR system (or any successor thereto) shall be deemed to be delivered to the Trustee for purposes of this Section 4.06(b) at the time such documents are filed via the EDGAR system (or any successor thereto).

(c) Delivery of the reports and documents described in subsection (b) above to the Trustee is for informational purposes only, and the Trustee's receipt of such shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to conclusively rely on an Officer's Certificate). Notwithstanding the deemed delivery of the information, document or report to the Trustee pursuant to Section 4.06(b), the Trustee has no obligation to monitor the Company's compliance with its reporting or other obligations and covenants and shall not be responsible for downloading any such information, document or report from the Commission's EDGAR system (or any successor thereto) or otherwise and shall incur no liability to any person for not doing so.

(d) If, at any time during the six-month period beginning on, and including, the date that is six months after the Issue Date of the Notes, the Company fails to timely file any document or report that it is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, as applicable (after giving effect to all applicable grace periods thereunder and other than reports on Form 6-K to the extent that the Company continues to satisfy the "current public information" requirements of Rule 144), or the Notes are not otherwise freely tradable pursuant to Rule 144 by Holders other than the Company's Affiliates or Persons that were the Company's Affiliates at any time during the three months immediately preceding (as a result of restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes), the Company shall pay or cause the Paying Agent to pay Additional Interest on the Notes. Such Additional Interest shall accrue on the Notes at the rate of 0.50% per annum of the principal amount of the Notes outstanding for each day during such period for which the Company's failure to file has occurred and is continuing or the Notes are not otherwise so freely tradable pursuant to Rule 144 by Holders other than the Company's Affiliates (or Holders that were the Company's Affiliates at any time during the three months immediately preceding) as a result of

restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes. As used in this Section 4.06(d), documents or reports that the Company is required to "file" with the Commission pursuant to Section 13 or 15(d) of the Exchange Act does not include documents or reports that the Company furnishes to the Commission pursuant to Section 13 or 15(d) of the Exchange Act.

(e) If, and for so long as, the restrictive legend on the Notes specified in Section 2.05(c) has not been removed (or deemed removed), the Notes are assigned a restricted CUSIP number or the Notes are not otherwise freely tradable pursuant to Rule 144 by Holders other than the Company's Affiliates or Persons that were the Company's Affiliates at any time during the three months immediately preceding (as a result of restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes) as of the 380th day after the Issue Date of the Notes (the "**De-Legending Deadline Date**"), the Company shall pay or cause the Paying Agent to pay Additional Interest on the Notes at a rate equal to 0.50% per annum of the principal amount of Notes outstanding until the first date on which the restrictive legend on the Notes has been removed in accordance with Section 2.05(c), the Notes are assigned an unrestricted CUSIP number and the Notes are freely tradable pursuant to Rule 144 by Holders other than the Company's Affiliates (or Holders that were the Company's Affiliates at any time during the three months immediately preceding) (as a result of restrictions pursuant to U.S. securities laws or the terms of this Indenture or the Notes).

(f) Except as described below, any Additional Interest will be payable in arrears on each Interest Payment Date following accrual in the same manner as regular interest on the Notes.

(g) The Additional Interest that is payable in accordance with Section 4.06(d) or Section 4.06(e) shall be in addition to, and not in lieu of, any Additional Interest that may be payable as a result of the Company's election pursuant to Section 6.03. In no event shall Additional Interest accrue on any day under the terms of this Indenture (taking any Additional Interest payable pursuant to Section 4.06(d) and Section 4.06(e) together with any Additional Interest payable pursuant to Section 6.03) at annual rate in excess of 0.50%, in the aggregate, regardless of the number of events or circumstances giving rise to the requirement to pay such Additional Interest, for any violation or Default caused by the Company's failure to be current in respect of its Exchange Act reporting obligations.

(h) If Additional Interest is payable by the Company pursuant to Section 4.06(d) or Section 4.06(e), the Company shall deliver to the Trustee an Officer's Certificate to that effect stating (i) the amount of such Additional Interest that is payable and (ii) the date on which such Additional Interest is payable. Unless and until a Responsible Officer of the Trustee receives at the Specified Corporate Trust Office such a certificate, the Trustee may assume without inquiry that no such Additional Interest is payable. If the Company has paid Additional Interest directly to the Persons entitled to it, the Company shall deliver to the Trustee an Officer's Certificate setting forth the particulars of such payment.

(i) The accrual of Additional Interest will be the exclusive remedy available to Holders of the Notes for a failure of their Notes to become freely tradable.

(j) Notwithstanding anything to the contrary, Additional Interest on any note for any period on or after the De-Legending Deadline Date of such Note will accrue, but will not be payable on any Interest Payment Date occurring on or after such De-Legending Deadline Date unless (i) a Holder (or an owner of a beneficial interest in a Global Note) has delivered to the Company (with a copy to the Trustee), before the Regular Record Date immediately before such Interest Payment Date, a written notice demanding payment of Additional Interest; or (ii) the Company, in its sole and absolute discretion, elects, by sending notice of such election to Holders before such Regular Record Date, to pay such Additional Interest on such Interest Payment Date.

Any accrued and unpaid Additional Interest that, in accordance with the provision described in Section 4.06(j) is not paid on such Interest Payment Date is referred to as "Deferred Additional Interest," and without further action by the Company or any other Person, Additional Interest will automatically accrue on such Deferred Additional Interest from, and including, such Interest Payment Date at a rate per annum equal to the stated interest rate to, but excluding, the date on which such Deferred Additional Interest, together with interest thereon, is paid. Each reference in this Indenture to any accrued interest (including in the calculations of the Redemption Price and Fundamental Change Repurchase Price for any Note) or to any accrued Additional Interest includes, to the extent applicable, and without duplication, any Deferred Additional Interest, together with accrued and unpaid interest thereon.

Once any accrued and unpaid Additional Interest becomes payable on an Interest Payment Date (whether as a result of the delivery of a written notice as described in Section 4.06(j) or, if earlier, the Company's election to pay the same), Additional Interest will thereafter not be subject to deferral as described above. In addition, all accrued and unpaid Additional Interest, if any, will be paid on the Interest Payment Date occurring on the Maturity Date of the Notes, and no portion thereof may be deferred.

For the avoidance of doubt, the failure to pay any accrued and unpaid Additional Interest on an Interest Payment Date will not constitute a Default or an Event of Default under this Indenture or the Notes if such payment is deferred in accordance with the provisions described above. Otherwise, such a failure to pay will be subject to Section 6.01(a).

The Company will send notice to the Holder of each Note (with a copy to the Trustee) of the commencement and termination of any period in which Additional Interest accrues on such Note, except that no such notice is required in respect of any Additional Interest that is deferred in accordance with this Section 4.06(j).

(k) The "grace periods" referred to in Section 4.06(b) and (d) above with respect to any report will include the maximum period afforded by Rule 12b-25 (or any successor rule thereto) under the Exchange Act regardless of whether the Company files, or indicates in the related Form 12b-25 (or any successor form thereto) that the Company expects to or will file, such report before the expiration of such maximum period.

Section 4.07 *Additional Amounts.* (a) All payments and deliveries made by or on behalf of the Company or any Successor Company under the Notes, including, but not limited to, payments of principal (including, if applicable, the Fundamental Change Repurchase Price or the

Redemption Price), payments of interest and deliveries of Common Shares or other Reference Property (together with payment of cash in lieu of any fractional Common Shares) upon conversion, will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company or any Successor Company is, for tax purposes, organized or resident or doing business or through which payment is made by or on behalf of the Company or any successor to the Company (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required with respect to any such payments or deliveries (but excluding, for the avoidance of doubt, any payments or deliveries that are made upon conversion of the Notes, whether made in cash, Common Shares or other consideration (including any payments of cash for any fractional Common Shares or other consideration)), the Company or any Successor Company will pay to the Holder of each Note such additional amounts (the "**Additional Amounts**") as may be necessary to ensure that the net amount received by the Holder after such withholding or deduction (and after deducting any taxes on the Additional Amounts) will equal the amounts that would have been received by such Holder had no such withholding or deduction been required; provided that no Additional Amounts will be payable:

(i) for or on account of:

(A) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(1) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Taxing Jurisdiction, other than merely holding such Note or the receipt of payments thereunder, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(2) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of (including the Fundamental Change Repurchase Price or the Redemption Price, in each case, if applicable) or interest became due and payable pursuant to the terms thereof or was made or duly provided for; or

(3) the failure of the Holder or beneficial owner to comply with a timely request from the Company or any successor of the Company, addressed to the Holder, to provide certification, information, documents or other evidence concerning such Holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Taxing Jurisdiction, or to make any declaration or satisfy any other reporting

requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Taxing Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner;

(B) any estate, inheritance, gift, sale, transfer, excise, personal property or similar tax, assessment or other governmental charge;

(C) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding from payments under or with respect to the Notes;

(D) any Canadian withholding tax (including any tax under Part XIII of the Tax Act or any successor provision thereto) that is withheld or required to be withheld on amounts payable to, credited to, or for the account of a Holder or beneficial owner of such Note arising as a result of:

(1) such Holder or beneficial owner not dealing at arm's length (within the meaning of the Tax Act) with the Company;

(2) such Holder or beneficial owner being a "specified shareholder" (as that term is defined in subsection 18(5) of the Tax Act) of the Company or not dealing at arm's length (within the meaning of the Tax Act) with any "specified shareholder" of the Company; or

(3) the Company being a "specified entity" (as defined in subsection 18.4(1) of the Tax Act) in respect of such Holder or owner,

other than where the non-arm's length relationship arises, or where such Holder or beneficial owner is a "specified shareholder" or does not deal at arm's length with a "specified shareholder" or is an entity in respect of which the Company is a "specified entity", as applicable, solely as a result of such Holder or beneficial owner acquiring the Notes and/or exercising or enforcing its rights under the Notes;

(E) any tax, duty, assessment or other governmental charge that is imposed in connection with any payments or deliveries that are made upon conversion of the Notes, whether made in cash, Common Shares or other consideration, and including, for the avoidance of doubt, any payments of cash for any fractional Common Shares or other consideration;

(F) any tax, assessment, withholding or deduction required by sections 1471 through 1474 (or any amended or successor version of such sections) of the United States Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future Treasury regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted or issued in any jurisdiction

implementing FATCA, any intergovernmental agreement between the United States of America and any other jurisdiction to implement FATCA or any law enacted by such other jurisdiction to give effect to such agreement, or any agreement with the U.S. Internal Revenue Service under FATCA; or

(G) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (A), (B), (D),(F), (E) or (F); or

(ii) with respect to any payment of the principal of (including the Fundamental Change Repurchase Price or the Redemption Price, in each case, if applicable) or interest on such Note, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of that payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a partner or member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, member or beneficial owner been the Holder thereof.

(b) If the Company or any Successor Company is required to make any deduction or withholding from any payments with respect to the Notes, the Company or such successor shall deliver to the Trustee official tax receipts evidencing the remittance to the relevant tax authorities of the amounts so withheld or deducted or, if official receipts are not obtainable, other relevant documentation evidencing the payment of the amounts so deducted or withheld.

(c) Each party to this Indenture shall, within ten business days of a written request by another party, supply to that other party such forms, documentation and other information relating to it, its operations, or the Notes as that other party reasonably requests for the purposes of that other party's compliance with Applicable Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information pursuant to this Section 4.07(c) to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this Section 4.07(c), "Applicable Law" shall be deemed to include (i) any rule or practice of any Authority by which any party is bound or with which it is accustomed to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any party that is customarily entered into by institutions of a similar nature.

The Company shall notify the Trustee in the event that it determines that any payment to be made by the Trustee under the Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Company's obligation under this Section 4.07(c) shall apply

only to the extent that such payments are so treated by virtue of characteristics of the Company, the Notes, or both.

Notwithstanding any other provision of this Indenture, the Trustee shall be entitled to make a deduction or withholding from any payment which it makes under the Notes for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the Trustee shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Company the amount so deducted or withheld, in which case, the Company shall so account to the relevant Authority for such amount. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Section 4.07(c).

For the purposes of this Section 4.07(c), capitalized terms shall have the following meanings:

"**Applicable Law**" means any law or regulation.

"**Authority**" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**FATCA Withholding**" means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

(d) Any reference in this Indenture or the Notes in any context to the payment of principal of (including the Fundamental Change Repurchase Price or the Redemption Price, in each case, if applicable) and interest (including Additional Interest) on, any Note or any other amount payable with respect to such Note, shall be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(e) The foregoing obligations shall survive termination or discharge of this Indenture.

Section 4.08 *Stay, Extension and Usury Laws.* The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture; and the Company

(to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 4.09 *Compliance Certificate; Statements as to Defaults.* The Company shall deliver to the Trustee (i) within 120 days after the end of each fiscal year of the Company (beginning with the fiscal year ending on December 31, 2026) and (ii) promptly after receiving a written request from the Trustee, an Officer's Certificate stating whether the signers thereof have knowledge of any Default that occurred during the previous year that is continuing and, if so, specifying each such Default and the nature thereof.

In addition, the Company shall deliver to the Responsible Officer of the Trustee, as soon as possible, and in any event within 30 days after the Company becomes aware of the occurrence of any Event of Default or Default if the relevant events are then continuing, an Officer's Certificate setting forth the details of such Event of Default or Default, its status and the action that the Company is taking or proposing to take in respect thereof.

Section 4.10 *Further Instruments and Acts.* Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

ARTICLE 5
LISTS OF HOLDERS AND REPORTS BY THE COMPANY

Section 5.01 *Lists of Holders.* The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of the Notes:

(a) semiannually and not more than 15 days after the Regular Record Date for any Interest Payment Date; and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request (or such lesser time as the Trustee may reasonably request in order to enable it to timely provide any notice to be provided by it hereunder) as of a date not more than 15 days (or such other date as the Trustee may reasonably request in order to so provide any such notices) prior to the time such information is furnished, *provided*, that if and so long as the Trustee shall be the Note Registrar, such list shall not be required to be furnished.

Section 5.02 *Preservation and Disclosure of Lists.* The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders contained in the most recent list furnished to it as provided in Section 5.01 or maintained by the Trustee in its capacity as Note Registrar, if so acting. The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.* Each of the following events shall be an "**Event of Default**" with respect to the Notes:

(a) default in any payment of interest on any Note when due and payable if the default continues for a period of 30 days;

(b) default in the payment of principal of any Note when due and payable on the Maturity Date, upon redemption, upon any required repurchase in connection with a Fundamental Change, upon declaration of acceleration or otherwise;

(c) failure by the Company to comply with its obligation to convert the Notes in accordance with this Indenture upon exercise of a Holder's conversion right and such failure continues for five Business Days or more;

(d) failure by the Company to comply with its obligations under Article 11;

(e) failure by the Company to issue a Fundamental Change Company Notice in accordance with Section 15.02(c) or a notice of a Make-Whole Fundamental Change in accordance with Section 14.03, in each case when due, and such failure continues for five Business Days or more;

(f) failure by the Company for 60 days after written notice from the Trustee or by the Trustee at the request of the Holders of at least 25% in aggregate in principal amount of the Notes then outstanding has been received by the Company to comply with any of its other agreements contained in the Notes or this Indenture;

(g) default by the Company or, (x) any Subsidiary if any 2029 Notes are outstanding, or (y) any Significant Subsidiary of the Company if no 2029 Notes are outstanding, with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of $50 million (or its foreign currency equivalent) in the aggregate of the Company and/or any such Subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal of, or interest on, any such indebtedness when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, in each case, after the expiration of any applicable grace period, if such default is not cured or waived, or such acceleration is not rescinded within 30 days after written notice to the Company by the Trustee or to the Company and the Trustee by Holders of at least 25% in aggregate principal amount of Notes then outstanding, in accordance with this Indenture;

(h) a final judgment for the payment of $50 million (or its foreign currency equivalent) or more rendered against the Company or, (x) any Subsidiary if any 2029 Notes are outstanding, or (y) any Significant Subsidiary of the Company if no 2029 Notes are outstanding, in each case, if such amount is not covered by insurance or an indemnity and such judgment is not discharged, bonded, paid, waived, stayed, satisfied or subject to a settlement agreement

providing for payments and no enforcement within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished;

(i) the Company or any Significant Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or any such Significant Subsidiary or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or any such Significant Subsidiary or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(j) a court of competent jurisdiction enters an order or decree under any bankruptcy, insolvency or similar law that:

(i) is for relief with respect to the Company or any of its Significant Subsidiaries in an involuntary case or other proceeding, or adjudicates the Company or any of its Significant Subsidiary bankrupt or insolvent;

(ii) appoints a trustee, receiver, liquidator, custodian or similar official for the Company or any of its Significant Subsidiaries for all or substantially all of the property of the Company or any Significant Subsidiary;

(iii) related to the winding up or liquidation of the Company or any of its Significant Subsidiaries;

(iv) and in the case of each of the foregoing clauses (i), (ii) and (iii) of this Section 6.01(j), the order or decree remains unstayed and in effect for at least 60 consecutive days.

Section 6.02 *Acceleration; Rescission and Annulment*. If one or more Events of Default shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), then, and in each and every such case (other than an Event of Default specified in Section 6.01(i) or Section 6.01(j) with respect to the Company), unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding determined in accordance with Section 8.04, by written notice in writing to the Company (and to the Trustee if given by Holders), may, and the Trustee at the written request of such requisite number of Holders (accompanied by security and/or indemnity to its reasonable satisfaction) shall declare 100% of the principal of, and accrued and unpaid interest on, all the Notes to be due and payable immediately, and upon any such declaration or acceleration, the same shall become and shall automatically be immediately due and payable, anything contained in this Indenture or in the Notes to the contrary notwithstanding. If an Event of Default specified in Section 6.01(i) or

Section 6.01(j) with respect to the Company occurs and is continuing, 100% of the principal of, and accrued and unpaid interest, if any, on, all Notes shall become and shall automatically be immediately due and payable.

The immediately preceding paragraph, however, is subject to the conditions that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay installments of accrued and unpaid interest upon all Notes and the principal of any and all Notes that shall have become due otherwise than by acceleration (with interest on overdue installments of accrued and unpaid interest to the extent that payment of such interest is enforceable under applicable law, and on such principal at the rate per annum borne by the Notes *plus* Default Interest) and amounts due to the Trustee pursuant to Section 7.08, and if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) any and all existing Events of Default under this Indenture, other than the nonpayment of the principal of and accrued and unpaid interest, if any, on Notes that shall have become due solely by such acceleration, shall have been cured or waived pursuant to Section 6.09, then and in every such case (except as provided in the immediately succeeding sentence) the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may waive all Defaults or Events of Defaults with respect to the Notes and rescind and annul such declaration and its consequences and such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Default or Event of Default, or shall impair any right consequent thereon. Notwithstanding anything to the contrary herein, no such waiver or rescission and annulment shall extend to or shall affect any Default or Event of Default resulting from (i) the nonpayment of the principal of, or accrued and unpaid interest on, any Notes, (ii) a failure to pay the Redemption Price or any Fundamental Change Repurchase Price of any Note or (iii) a failure to deliver the consideration due upon conversion of the Notes.

Section 6.03 *Additional Interest*. Notwithstanding anything in this Indenture or in the Notes to the contrary, if the Company so elects, the sole remedy for an Event of Default relating to the Company's failure to comply with its obligations as set forth in Section 4.06(b) shall after the occurrence of such an Event of Default (which, with respect to an Event of Default described in Section 6.01(f)), shall be the 60th day after written notice is provided to the Company in accordance with Section 6.01(f)) consist exclusively of the right to receive Additional Interest on the Notes at a rate equal to(i) 0.25% per annum of the principal amount of the Notes outstanding for each day (x) during the 180-day period beginning on, and including, the date on which such an Event of Default first occurs and (y) on which such Event of Default is continuing and (ii) 0.50% per annum of the principal amount of the Notes outstanding for each day (x) during the 180-day period beginning on, and including, the 181st day following the date on which such an Event of Default first occurs and (y) on which such Event of Default is continuing.

Additional Interest payable pursuant to this Section 6.03 shall be in addition to, not in lieu of, any Additional Interest payable pursuant to Section 4.06(d) or Section 4.06(e). In no event shall Additional Interest accrue on the Notes on any day under this Indenture (taking any Additional Interest payable pursuant to this Section 6.03 together with any Additional Interest

payable pursuant to Section 4.06(d) and Section 4.06(e)) at an annual rate accruing in excess of 0.50%, in the aggregate, for any violation or Default caused by the Company's failure to be current in respect of its Exchange Act reporting obligations. With regard to any violation specified in the immediately preceding paragraph, no Additional Interest shall accrue, and no right to declare the principal or other amounts due and payable in respect of the Notes shall exist, after such violation has been cured. If the Company so elects, such Additional Interest shall be payable in the same manner and on the same dates as the stated interest payable on the Notes. On the 361st day after such Event of Default (if the Event of Default relating to the Company's failure to file is not cured or waived prior to such 361st day), the Notes shall be immediately subject to acceleration as provided in Section 6.02. The provisions set forth in this Section 6.03 shall not affect the rights of Holders of the Notes in the event of the occurrence of any other Event of Default. In the event the Company does not elect to pay Additional Interest following an Event of Default in accordance with this Section 6.03 or the Company elected to make such payment but does not pay the Additional Interest when due, the Notes shall be immediately subject to acceleration as provided in Section 6.02.

In order to elect to pay Additional Interest as the sole remedy during the first 360 days after the occurrence of any Event of Default described in the immediately preceding paragraph, the Company must notify all Holders of the Notes, the Trustee and the Paying Agent of such election prior to the beginning of such 360-day period. Upon the failure to timely give such notice, the Notes shall be immediately subject to acceleration as provided in Section 6.02.

Section 6.04 *Payments of Notes on Default; Suit Therefor.* If an Event of Default described in clause (a) or (b) of Section 6.01 shall have occurred, the Company shall, upon demand of the Trustee, pay to the Trustee, for the benefit of the Holders of the Notes, the whole amount then due and payable on the Notes for principal and interest, if any, with interest on any overdue principal and interest, if any, at the rate per annum borne by the Notes *plus* 0.50% at such time, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 7.08. If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Notes, wherever situated.

In the event there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under Title 11 of the United States Code, or any other applicable law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Company or such other obligor, the property of the Company or such other obligor, or in the event of any other judicial proceedings relative to the Company or such other obligor upon the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 6.04, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a

claim or claims for the whole amount of principal and accrued and unpaid interest, if any, in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents and to take such other actions as it may deem necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceedings relative to the Company or any other obligor on the Notes, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of any amounts due to the Trustee under Section 7.08; and any receiver, assignee or trustee in bankruptcy or reorganization, liquidator, custodian or similar official is hereby authorized by each of the Holders to make such payments to the Trustee, as administrative expenses, and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for reasonable compensation, expenses, advances and disbursements, including agents and counsel fees, and including any other amounts due to the Trustee under Section 7.08, incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses, advances and disbursements out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property that the Holders of the Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting such Holder or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Notes.

In any proceedings brought by the Trustee (and in any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Holders of the Notes parties to any such proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of any waiver pursuant to Section 6.09 or any rescission and annulment pursuant to Section 6.02 or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the Holders and the Trustee shall, subject to any determination in such proceeding, be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers

of the Company, the Holders and the Trustee shall continue as though no such proceeding had been instituted.

Section 6.05 *Application of Monies Collected by Trustee.* Any monies collected by the Trustee pursuant to this Article 6 with respect to the Notes shall be applied in the following order, at the date or dates fixed by the Trustee for the distribution of such monies, upon presentation of the several Notes, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First, to the payment of all amounts due the Trustee under Section 7.08;

Second, in case the principal of the outstanding Notes shall not have become due and be unpaid, to the payment of interest on the Notes in default in the order of the date due of the payments of such interest with interest (to the extent that such interest has been collected by the Trustee) upon such overdue payments at the rate borne by the Notes at such time (including the additional 0.50% interest that accrues on Defaulted Amounts), such payments to be made ratably to the Persons entitled thereto;

Third, in case the principal of the outstanding Notes shall have become due, by declaration or otherwise, and be unpaid to the payment of the whole amount (including, if applicable, the payment of the Redemption Price, the Fundamental Change Repurchase Price and any cash in lieu of fractional Common Shares upon conversion) then owing and unpaid upon the Notes for principal and interest, if any, with interest on the overdue principal and, to the extent that such interest has been collected by the Trustee, upon overdue installments of interest at the rate borne by the Notes at such time (including the additional 0.50% interest that accrues on Defaulted Amounts), and in case such monies shall be insufficient to pay in full the whole amounts so due and unpaid upon the Notes, then to the payment of such principal (including, if applicable, the Redemption Price, the Fundamental Change Repurchase Price and any cash in lieu of fractional Common Shares upon conversion) and interest without preference or priority of principal over interest, or of interest over principal or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably to the aggregate of such principal (including, if applicable, the Redemption Price and the Fundamental Change Repurchase Price) and accrued and unpaid interest; and

Fourth, to the payment of the remainder, if any, to the Company.

Section 6.06 *Proceedings by Holders.* Except to enforce the right to receive payment of principal (including, if applicable, the Fundamental Change Repurchase Price and the Redemption Price) or interest when due, or to enforce the right to receive delivery of the consideration due upon conversion, no Holder of any Note shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, or for the appointment of a receiver, trustee, liquidator, custodian or other similar official, or for any other remedy hereunder, unless:

(a) such Holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as herein provided;

(b) Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding or pursue such other remedy in its own name as Trustee hereunder;

(c) such Holders shall have offered to the Trustee such security and/or indemnity reasonably satisfactory to it against any loss, liability or expense to be incurred therein or thereby;

(d) the Trustee for 60 days after its receipt of such written notice, written request and offer of security and/or indemnity reasonably satisfactory to it, shall have neglected or refused to institute any such action, suit or proceeding; and

(e) no direction that, in the opinion of the Trustee, is inconsistent with such written request shall have been given to the Trustee by the Holders of a majority of the aggregate principal amount of the Notes then outstanding within such 60-day period pursuant to Section 6.09, it being understood and intended, and being expressly covenanted by the taker and Holder of every Note with every other taker and Holder and the Trustee that no one or more Holders shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders (except as otherwise provided herein). For the protection and enforcement of this Section 6.06, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision of this Indenture and any provision of any Note, the right of any Holder to receive payment or delivery, as the case may be, of (x) the principal (including the Redemption Price and the Fundamental Change Repurchase Price, if applicable) of, (y) accrued and unpaid interest, if any, on, and (z) the consideration due upon conversion of, such Note, on or after the respective due dates expressed or provided for in such Note or in this Indenture, or to institute suit for the enforcement of any such payment or delivery, as the case may be, on or after such respective dates against the Company shall not be impaired or affected without the consent of such Holder.

Section 6.07 *Proceedings by Trustee.* In case of an Event of Default, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as are necessary to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 6.08 *Remedies Cumulative and Continuing.* Except as provided in the last paragraph of Section 2.06, all powers and remedies given by this Article 6 to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders of the Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants

and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Notes to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Default or Event of Default or any acquiescence therein; and, subject to the provisions of Section 6.06, every power and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

Section 6.09 *Direction of Proceedings and Waiver of Defaults by Majority of Holders.* The Holders of a majority of the aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Notes; *provided*, *however*, that (a) such direction shall not be in conflict with any rule of law or with this Indenture, (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction, and (c) prior to taking any action under this Indenture upon any such direction from Holders of the Notes, the Trustee shall be entitled to indemnification and/or security reasonably satisfactory to it against all losses and expenses caused by taking such action. The Trustee may refuse to follow any direction that it determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. The Holders of a majority in aggregate principal amount of the Notes at the time outstanding determined in accordance with Section 8.04 may on behalf of the Holders of all of the Notes waive (including by way of consents obtained in connection with a repurchase of, or tender or exchange offer for, the Notes) any past Default or Event of Default hereunder and its consequences, other than a Default or Event of Default (i) in the payment of principal of, or interest on, any Note or, if applicable, in the payment of the Fundamental Change Repurchase Price or the Redemption Price that has not been cured pursuant to Section 6.01, (ii) arising from a failure by the Company to deliver the consideration due upon conversion of the Notes in accordance with this Indenture or (iii) in respect of any provision hereof which under Article 10 cannot be modified or amended without the consent of each Holder of an outstanding Note affected. Upon any such waiver the Company, the Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. Whenever any Default or Event of Default hereunder shall have been waived as permitted by this Section 6.09, said Default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

For the avoidance of doubt, and without limiting the manner in which any "Default" can be cured,

(a) a Default consisting of a failure to send a notice in accordance with the terms of this Indenture will be cured upon the sending of such notice;

(b) a Default in making any payment on (or delivering any other consideration in respect of) any Note will be cured upon the delivery, in accordance with this Indenture, of such payment (or other consideration) together, if applicable, with Default Interest thereon; and

(c) a Default that is or, after notice, passage of time or both, would be an Event of Default relating to the Company's failure to comply with its obligations as set forth in Section 4.06(b) will be cured upon the filing of the relevant report(s) giving rise to such reporting Event of Default.

In addition, for the avoidance of doubt, (i) if a Default that is not an Event of Default is cured or waived before such Default would have constituted an Event of Default, then no Event of Default will result from such Default; (ii) the cure of any Event of Default will not affect any acceleration that has occurred before such cure; and (iii) the cure of any reporting Event of Default will not affect the accrual of any Additional Interest before such cure. Nothing in the immediately preceding two sentences will constitute a waiver of, or in any way limit, the right of the Trustee or any Holder to institute suit for any damages incurred as a result of any Default, even if such Default is subsequently cured.

Section 6.10 *Notice of Defaults and Events of Defaults.* The Trustee shall, within 90 days after the occurrence, and during the continuance, of a Default or Event of Default of which a Responsible Officer has written notice thereof, deliver to all Holders as the names and addresses of such Holders appear upon the Note Register, notice of all Defaults or Events of Default, unless such Defaults or Events of Default shall have been cured or waived before the giving of such notice.

Section 6.11 *Undertaking to Pay Costs.* All parties to this Indenture agree, and each Holder of any Note by its acceptance thereof shall be deemed to have agreed, that any court may, in its discretion, require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; *provided* that the provisions of this Section 6.11 (to the extent permitted by law) shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Notes at the time outstanding determined in accordance with Section 8.04, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or accrued and unpaid interest, if any, on any Note (including, but not limited to, the Redemption Price and the Fundamental Change Repurchase Price, if applicable) on or after the due date expressed or provided for in such Note or to any suit for the enforcement of the right to convert any Note, or receive the consideration due upon conversion, in accordance with the provisions of Article 14.

ARTICLE 7
CONCERNING THE TRUSTEE

Section 7.01 *Duties and Responsibilities of Trustee.* The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations will be read into this Indenture against the Trustee. In the event an Event of Default has occurred and is continuing, the Trustee

shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs, *provided* that if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to it against the costs, liabilities or expenses that might be incurred by it in compliance with such request or direction.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act or its own willful misconduct, except that:

(a) prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith and willful misconduct on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions that by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein);

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority of the aggregate principal amount of the Notes at the time outstanding determined as provided in Section 8.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(d) whether or not therein provided, every provision of this Indenture relating to the conduct or affecting the liability of, or affording protection to, the Trustee (including in any agency role) shall be subject to the provisions of this Section;

(e) the Trustee shall not be liable in respect of any payment (as to the correctness of amount, entitlement to receive or any other matters relating to payment) or notice effected by the Company or any Paying Agent or any records maintained by any co-Note Registrar with respect to the Notes;

(f) if any party fails to deliver a notice relating to an event the fact of which, pursuant to this Indenture, requires notice to be sent to the Trustee, the Trustee may conclusively rely on its failure to receive such notice as reason to act as if no such event occurred, unless a Responsible Officer of the Trustee had actual knowledge of such event;

(g) all cash received by the Trustee shall be placed in a non-interest bearing trust account and the Trustee shall have no liability for interest in the absence of a written executed agreement between the parties;

(h) in the event that the Trustee is also acting as Custodian, Note Registrar, Paying Agent, Conversion Agent or transfer agent hereunder, the rights, privileges, disclaimers, immunities and protections (including the right to receive compensation and be indemnified) afforded to the Trustee under this Indenture shall also be afforded to such Custodian, Note Registrar, Paying Agent, Conversion Agent or Transfer Agent;

(i) the Trustee shall be under no obligation to enforce any of the provisions of this Indenture if an Event of Default occurs and is continuing, unless it is instructed by Holders of at least 25% in aggregate principal amount of the Notes then outstanding in accordance with this Indenture in writing and is provided with security and/or indemnity reasonably satisfactory to it;

(j) before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel prepared and delivered at the cost of the Company conforming to Section 18.07 and the Trustee and the Agents may rely conclusively on such certificate or opinion and will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel;

(k) in connection with the exercise by it of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorization or determination), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities or discretions for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any country, state or territory; and

(l) the Trustee is not obliged to do or omit to do anything which in its reasonable opinion, would or may be illegal or would constitute a breach of any fiduciary duty or duty of confidentiality, or any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject. The Trustee may without liability to do anything which is, in its reasonable opinion, necessary to comply with any

such law, directive or regulations. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 7.02 *Reliance on Documents, Opinions, Etc.* Except as otherwise provided in Section 7.01:

(a) the Trustee may conclusively rely and shall be fully protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, note, coupon or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel and require an Opinion of Counsel and any advice of such counsel or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the expense of the Company and shall incur no liability of any kind by reason of such inquiry or investigation;

(e) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians, nominees or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, custodian, nominee or attorney appointed by it with due care hereunder;

(f) the permissive rights of the Trustee enumerated herein shall not be construed as duties;

(g) under no circumstances and notwithstanding any contrary provision included herein, the Trustee shall be responsible or liable for special, indirect, punitive, or consequential damages or loss of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; this provision shall remain in full force and effect notwithstanding the discharge of the Notes, the termination of this Indenture or the resignation, replacement or removal of the Trustee;

(h) the Company understands that The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates, branches, representative offices and/or subsidiaries located in multiple jurisdictions (collectively, the "**BNY Group**" and each a "**BNY Entity**"). The BNY Group may: (i) use and/or centralize in one or more BNY Entity in connection with its performance of the functions, duties and services provided and any other obligations under this Indenture and/or the Notes and in certain other activities (the "**Centralized Functions**"), including, without limitation, audit, accounting, tax, administration, risk management, credit, legal, compliance, operation, sales and marketing, product communication, relationship management, information technology, records and data storage, performance measurement, data aggregation and the compilation and analysis of information and data regarding the Company (which, for purposes of this sub-Section 7.02(i), includes the name and business contact information for the employees and representatives of the Company and any personal data) and the accounts established pursuant to the transactions contemplated in this Indenture and/or the Notes ("**Client Information**"); and (ii) use third party service providers to store, maintain and process Client Information ("**Outsourced Functions**"). Notwithstanding anything to the contrary contained elsewhere in this Indenture and/or the Notes and solely in connection with the Centralized Functions and/or Outsourced Functions, the Company consents to the: (i) collection, use and storage of, and authorizes the BNY Group to collect, use and store, Client Information within and outside of any jurisdiction, including without limitation Australia, the European Economic Area, Hong Kong, the PRC, Japan, Singapore, India, the British Virgin Islands and the United States of America; and (ii) disclosure of, and authorizes the BNY Group to disclose, Client Information to: (A) any other BNY Entity (and their respective officers, directors and employees); and (B) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Client Information. In addition, the BNY Group may aggregate Client Information with other data collected and/or calculated by the BNY Group, and the BNY Group will own all such aggregated data, provided that the BNY Group shall not distribute the aggregated data in a format that identifies Client Information with the Company specifically. The Company represents to the BNY Group that it is authorized to consent to the foregoing and that the disclosure of Client Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. The Company also consents to the disclosure of Client Information to governmental, tax, regulatory, law enforcement and other authorities in jurisdictions where the BNY Group operates and otherwise as required by law, rule, or guideline (including any tax and swap trade data reporting regulations);

(i) the Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(j) the Trustee may request that the Company deliver Officer's Certificates setting forth the names of individuals and their titles and specimen signatures of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificates may be signed by any Person authorized to sign an Officer's Certificate, as the case may be, including any Person specified as so authorized in any such certificate previously delivered and not superseded; and

(k) the Trustee shall not be responsible or liable for any action it takes or omits to take in good faith which it reasonably believes to be authorized or within its rights or powers.

Section 7.03 *No Responsibility for Recitals, Etc.* The recitals contained herein and in the Notes (except in the Trustee's certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with the provisions of this Indenture. Notwithstanding the generality of the foregoing, each Holder shall be solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Company, and the Trustee shall not at any time have any responsibility for the same and each Holder shall not rely on the Trustee in respect thereof.

Section 7.04 *[Reserved]*

Section 7.05 *Preservation of Information; Communication with Holders.* (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders contained in the most recent list furnished to it as provided in Section 4.06 and as to the names and addresses of Holders received by the Trustee in its capacity as Notes Registrar (if acting in such capacity).

(b) The Trustee may destroy any list furnished to it a provided in Section 4.06 upon receipt of a new list so furnished.

Section 7.06 *Trustee, Paying Agents, Conversion Agents or Note Registrar May Own Notes.* The Trustee, any Paying Agent, any Conversion Agent or Note Registrar, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not the Trustee, Paying Agent, Conversion Agent or Note Registrar.

Section 7.07 *Monies to Be Held in Trust.* All monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. Neither the Trustee nor the Paying Agent nor the Conversion Agent shall be under any liability for interest on any money received by it hereunder.

Section 7.08 *Compensation and Expenses of Trustee.* The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder in any capacity (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and supplemental fees and reimbursement if extraordinary services are provided, including following a Default or Event of Default, as mutually agreed to in writing between the Trustee and the Company, and the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances properly incurred or made by the Trustee in accordance with any of the provisions of this Indenture in any capacity thereunder (including the reasonable

compensation and the expenses and disbursements of its agents and counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as shall have been caused by its gross negligence or willful misconduct. The Company also covenants to indemnify the Trustee in any capacity under this Indenture and any other document or transaction entered into in connection herewith for, and to hold them harmless against, any loss, claim, damage, liability or expense incurred without gross negligence or willful misconduct on the part of the Trustee, its officers, directors, agents or employees, as the case may be, and arising out of or in connection with the acceptance or administration of this Indenture or in any other capacity hereunder, including the costs and expenses of defending themselves against any claim of liability in the premises. The obligations of the Company under this Section 7.08 to compensate or indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall be secured by a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by the Trustee, except, subject to the effect of Section 6.05, funds held in trust herewith for the benefit of the Holders of particular Notes. The Trustee's right to receive payment of any amounts due under this Section 7.08 shall not be subordinate to any other liability or indebtedness of the Company. The obligation of the Company under this Section 7.08 shall survive the satisfaction and discharge of this Indenture and the earlier resignation or removal or the Trustee. The indemnification provided in this Section 7.08 shall extend to the officers, directors, agents and employees of the Trustee.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee and its agents and any authenticating agent incur expenses or render services after an Event of Default specified in Section 6.01(i) or Section 6.01(j) occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any bankruptcy, insolvency or similar laws.

Section 7.09 *Officer's Certificate as Evidence.* Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence, willful misconduct and bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate delivered to the Trustee, and such Officer's Certificate, in the absence of gross negligence, willful misconduct and bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 7.10 *[Reserved]*.

Section 7.11 *Eligibility of Trustee.* There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act (as if the Trust Indenture Act were applicable hereto) to act as such and has a combined capital and surplus of at least $50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 7.12 *Resignation or Removal of Trustee.* (a) The Trustee may at any time resign by giving 60 days written notice of such resignation to the Company and by sending notice thereof to the Holders at their addresses as they shall appear on the Note Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 60 days after the sending of such notice of resignation to the Holders, the resigning Trustee may (on behalf of and at the sole expense of the Company) appoint its own successor who shall be a Person that is eligible to act as such in accordance with Section 7.11 or upon ten Business Days' notice to the Company and the Holders, petition any court of competent jurisdiction for the appointment of a successor trustee. Any Holder who has been a bona fide holder of a Note or Notes for at least six months may, subject to the provisions of Section 6.11, on behalf of himself or herself and all others similarly situated, petition any such court described in the immediately preceding sentence for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.11 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in either case, the Company may by a Board Resolution remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 6.11, any Holder who has been a bona fide holder of a Note or Notes for at least six months may, on behalf of himself or herself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Notes at the time outstanding, as determined in accordance with Section 8.04, may at any time remove the Trustee and nominate a successor trustee that shall be deemed appointed as successor trustee unless within ten days after notice to the Company of such nomination the Company objects thereto, in which case the Trustee so removed or any Holder, upon the terms and conditions and otherwise as in Section 7.12(a) provided, may petition any court of competent jurisdiction for an appointment of a successor trustee.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 7.12 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.13.

Section 7.13 *Acceptance by Successor Trustee.* Any successor trustee appointed as provided in Section 7.12 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of Section 7.08, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a senior claim to which the Notes are hereby made subordinate on all money or property held or collected by such trustee as such, except for funds held in trust for the benefit of Holders of particular Notes, to secure any amounts then due to it pursuant to the provisions of Section 7.08.

No successor trustee shall accept appointment as provided in this Section 7.13 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 7.11.

Upon acceptance of appointment by a successor trustee as provided in this Section 7.13, each of the Company and the successor trustee, at the written direction and at the expense of the Company shall send or cause to be sent notice of the succession of such trustee hereunder to the Holders at their addresses as they shall appear on the Note Register. If the Company fails to send such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be sent at the expense of the Company.

Section 7.14 *Succession by Merger, Etc.* Any corporation or other entity into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee (including the administration of this Indenture), shall be the successor to the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto; *provided* that in the case of any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Trustee such corporation or other entity shall be eligible under the provisions of Section 7.11.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee or authenticating agent appointed by such predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any

successor to the Trustee or an authenticating agent appointed by such successor trustee may authenticate such Notes either in the name of any predecessor trustee hereunder or in the name of the successor trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have; *provided*, *however*, that the right to adopt the certificate of authentication of any predecessor trustee or to authenticate Notes in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 7.15 *Trustee's Application for Instructions from the Company.* Any application by the Trustee for written instructions from the Company (other than with regard to any action proposed to be taken or omitted to be taken by the Trustee that affects the rights of the Holders of the Notes under this Indenture) may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer that the Company has indicated to the Trustee should receive such application actually receives such application, unless any such officer shall have consented in writing to any earlier date), unless, prior to taking any such action (or the effective date in the case of any omission), the Trustee shall have received written instructions in accordance with this Indenture in response to such application specifying the action to be taken or omitted.

ARTICLE 8
CONCERNING THE HOLDERS

Section 8.01 *Action by Holders.* Whenever in this Indenture it is provided that the Holders of a specified percentage of the aggregate principal amount of the Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Holders in person or by agent or proxy appointed in writing, or (b) by the record of the Holders voting in favor thereof at any meeting of Holders duly called and held in accordance with the provisions of Article 9, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Holders. Whenever the Company or the Trustee solicits the taking of any action by the Holders of the Notes, the Company or the Trustee may, but shall not be required to, fix in advance of such solicitation, a date as the record date for determining Holders entitled to take such action. The record date if one is selected shall be not more than fifteen days prior to the date of commencement of solicitation of such action.

Section 8.02 *Proof of Execution by Holders.* Subject to the provisions of Section 7.01, Section 7.02 and Section 9.05, proof of the execution of any instrument by a Holder or its agent or proxy shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Notes shall be proved by the Note Register or by a certificate of the Note Registrar. The record of any Holders' meeting shall be proved in the manner provided in Section 9.06.

Section 8.03 *Who Are Deemed Absolute Owners.* The Company, the Trustee, any authenticating agent, any Paying Agent, any Conversion Agent and any Note Registrar may deem the Person in whose name a Note shall be registered upon the Note Register to be, and may treat it as, the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by any Person other than the Company or any Note Registrar) for the purpose of receiving payment of or on account of the principal of and (subject to Section 2.03) accrued and unpaid interest on such Note, for conversion of such Note and for all other purposes; and neither the Company nor the Trustee nor any Paying Agent nor any Conversion Agent nor any Note Registrar shall be affected by any notice to the contrary. The sole registered holder of a Global Note shall be the Depositary or its nominee. All such payments or deliveries so made to any Holder for the time being, or upon its order, shall be valid, and, to the extent of the sums or Common Shares so paid or delivered, effectual to satisfy and discharge the liability for monies payable or Common Shares deliverable upon conversion of any such Note. Notwithstanding anything to the contrary in this Indenture or the Notes following an Event of Default, any Holder of a beneficial interest in a Global Note may directly enforce against the Company, without the consent, solicitation, proxy, authorization or any other action of the Depositary or any other Person, such Holder's right to exchange such beneficial interest for a Note in certificated form in accordance with the provisions of this Indenture.

Section 8.04 *Company-Owned Notes Disregarded.* In determining whether the Holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent, waiver or other action under this Indenture, Notes that are owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be outstanding for the purpose of any such determination; *provided* that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent, waiver or other action only Notes in respect of which a Responsible Officer has received written notice that such Notes are so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section 8.04 if the pledgee shall establish the pledgee's right to so act with respect to such Notes and that the pledgee is not the Company or any Affiliate of the Company. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officer's Certificate listing and identifying all Notes, if any, known by the Company to be owned or held by or for the account of any of the above described Persons; and, subject to Section 7.01, the Trustee shall be entitled to conclusively rely on and accept such Officer's Certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are outstanding for the purpose of any such determination.

Section 8.05 *Revocation of Consents; Future Holders Bound.* At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the Holders of the percentage of the aggregate principal amount of the Notes specified in this Indenture in connection with such action, any Holder of a Note that is shown by the evidence to be included in the Notes the Holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Note. Except as aforesaid, any such action taken by the Holder of any Note shall be conclusive and binding upon such

Holder and upon all future Holders and owners of such Note and of any Notes issued in exchange or substitution therefor or upon registration of transfer thereof, irrespective of whether any notation in regard thereto is made upon such Note or any Note issued in exchange or substitution therefor or upon registration of transfer thereof.

ARTICLE 9
HOLDERS' MEETINGS

Section 9.01 *Purpose of Meetings.* A meeting of Holders may be called at any time and from time to time pursuant to the provisions of this Article 9 for any of the following purposes:

(a) to give any notice to the Company or to the Trustee or to give any directions to the Trustee permitted under this Indenture, or to consent to the waiving of any Default or Event of Default hereunder (in each case, as permitted under this Indenture) and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article 6;

(b) to remove the Trustee and nominate a successor trustee pursuant to the provisions of Article 7;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.02; or

(d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Notes under any other provision of this Indenture or under applicable law.

Section 9.02 *Call of Meetings by Trustee.* The Trustee may at any time call a meeting of Holders to take any action specified in Section 9.01, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting and the establishment of any record date pursuant to Section 8.01, shall be sent to Holders of such Notes at their addresses as they shall appear on the Note Register. Such notice shall also be sent to the Company. Such notices shall be sent not less than 20 nor more than 90 days prior to the date fixed for the meeting.

Any meeting of Holders shall be valid without notice if the Holders of all Notes then outstanding are present in person or by proxy or if notice is waived before or after the meeting by the Holders of all Notes then outstanding, and if the Company and the Trustee are either present by duly authorized representatives or have, before or after the meeting, waived notice.

Section 9.03 *Call of Meetings by Company or Holders.* In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 25% of the aggregate principal amount of the Notes then outstanding, shall have requested the Trustee to call a meeting of Holders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have sent the notice of such meeting within 20 days after receipt of such request, then the Company or such Holders may determine the time

and the place for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

Section 9.04 *Qualifications for Voting.* To be entitled to vote at any meeting of Holders a Person shall (a) be a Holder of one or more Notes on the record date pertaining to such meeting or (b) be a Person appointed by an instrument in writing as proxy by a Holder of one or more Notes on the record date pertaining to such meeting. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 9.05 *Regulations.* Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 9.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in aggregate principal amount of the Notes represented at the meeting and entitled to vote at the meeting.

Subject to the provisions of Section 8.04, at any meeting of Holders each Holder or proxyholder shall be entitled to one vote for each $1,000 principal amount of Notes held or represented by him or her; *provided*, *however*, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Notes held by it or instruments in writing as aforesaid duly designating it as the proxy to vote on behalf of other Holders. Any meeting of Holders duly called pursuant to the provisions of Section 9.02 or Section 9.03 may be adjourned from time to time by the Holders of a majority of the aggregate principal amount of Notes represented at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Holders of the Notes, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Section 9.06 *Voting.* The vote upon any resolution submitted to any meeting of Holders shall be by written ballot on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the outstanding aggregate principal amount of the Notes held or represented by them. The permanent chairman of the meeting shall appoint two

inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more Persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was sent as provided in Section 9.02. The record shall show the aggregate principal amount of the Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.07 *No Delay of Rights by Meeting.* Nothing contained in this Article 9 shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Holders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Indenture or of the Notes.

Section 9.08 *Depositary Procedures.* For the avoidance of doubt, for as long as the Notes are in global form, consents may be obtained through applicable procedures of the Depositary.

ARTICLE 10
SUPPLEMENTAL INDENTURES

Section 10.01 *Supplemental Indentures Without Consent of Holders.* The Company, when authorized by the resolutions of the Board of Directors and the Trustee, at the Company's expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to cure any ambiguity, omission, defect or inconsistency in a manner that does not individually or in the aggregate adversely affect the rights of any Holder of the Notes in any respect;

(b) to provide for the assumption by a Successor Company of the obligations of the Company under this Indenture pursuant to Article 11;

(c) to add guarantees with respect to the Notes;

(d) to secure the Notes;

(e) to add to the covenants or Events of Default of the Company for the benefit of the Holders or surrender any right or power conferred upon the Company under this Indenture;

(f) to make any change that does not adversely affect the rights of any Holder in any material respect, as determined by the Company in good faith;

(g) to increase the Conversion Rate as provided in this Indenture;

(h) to provide for the acceptance of appointment by of a successor Trustee or facilitate the administration of the trusts under this Indenture by more than one Trustee;

(i) in connection with any Merger Event, provide that the Notes are convertible into Reference Property, subject to the provisions of Section 14.02, and make related changes to the terms of the Notes, in each case to the extent expressly required by Section 14.07; or

(j) comply with the rules of the Depositary, so long as such amendment does not adversely affect the rights of any Holder;

(k) to make changes in connection with an acceptance for listing on a Permitted Exchange, as contemplated in Section 15.02(g);

(l) to conform the provisions of this Indenture or the Notes to the "Description of Notes" section of the Offering Memorandum.

Upon the written request of the Company, the Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to, but may in its discretion, enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 10.01 may be executed by the Company and the Trustee without the consent of the Holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 10.02.

Section 10.02 *Supplemental Indentures with Consent of Holders.* With the consent (evidenced as provided in Article 8) of the Holders of at least a majority of the aggregate principal amount of the Notes then outstanding (determined in accordance with Article 8 and including, without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, Notes), the Company, when authorized by the resolutions of the Board of Directors and the Trustee, at the Company's expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any supplemental indenture or of modifying in any manner the rights of the Holders; *provided*, *however*, that, without the consent of each Holder of an outstanding Note affected, no such supplemental indenture shall:

(a) reduce the percentage in aggregate principal amount of Notes whose Holders must consent to an amendment of the Indenture or to waive any past Default;

(b) reduce the rate of or change the stated time for payment of interest on any Note;

(c) reduce the principal of or change the Maturity Date of any Note;

(d) make any change that impairs or adversely affects the conversion rights of any Notes;

(e) reduce the Fundamental Change Repurchase Price of any Note or amend or modify in any manner adverse to the Holders the Company's obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(f) make any Note payable in a currency other than that stated in the Note;

(g) change the ranking of the Notes in a manner that is adverse to the Holders of the Notes;

(h) impair the right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor (including the Redemption Price, if applicable) or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(i) make any change to the provisions in Section 4.07; or

(j) make any change in this *proviso* or in the waiver provisions in Section 6.09.

Upon the written request of the Company, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid and subject to Section 10.05, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

Holders do not need under this Section 10.02 to approve the particular form of any proposed supplemental indenture. It shall be sufficient if such Holders approve the substance thereof. After any such supplemental indenture becomes effective, the Company shall send or cause to be sent to the Holders a notice briefly describing such supplemental indenture. However, the failure to give such notice to all the Holders, or any defect in the notice, will not impair or affect the validity of the supplemental indenture.

Section 10.03 *Effect of Supplemental Indentures.* Upon the execution of any supplemental indenture pursuant to the provisions of this Article 10, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.04 *Notation on Notes.* Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article 10 may, at the Company's expense, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any modification of this Indenture contained in any such supplemental indenture may, at the Company's expense, be prepared and executed by the Company, authenticated by the Trustee (or an authenticating agent duly appointed by the Trustee pursuant to Section 18.07) and delivered in exchange for the Notes then outstanding, upon surrender of such Notes then outstanding.

Section 10.05 *Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee.* In addition to the documents required by Section 18.07, the Trustee shall receive an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article 10, is legal, valid, binding and enforceable against the Company, that all conditions precedent for entering into a supplemental indenture have been satisfied and it is permitted or authorized by this Indenture.

ARTICLE 11
CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 11.01 *Company May Consolidate, Etc. on Certain Terms.* Subject to the provisions of Section 11.02, the Company shall not consolidate with or merge with or into, or sell, convey, transfer or lease all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, another Person (other than any such sale, conveyance, transfer, or lease to one or more of the Company's direct or indirect Subsidiaries) (each, a "**Business Combination Event**"), unless:

(a) the resulting, surviving or transferee Person is the Company or, if not the Company, is a Qualified Successor Entity (such Qualified Successor Entity, the "**Successor Company**") duly organized and existing under the laws of Canada or any province or territory thereof, the United States of America or any State thereof or the District of Columbia, the Cayman Islands, Singapore or Hong Kong that expressly assume, by supplemental indenture all of the obligations of the Company under the Notes and this Indenture (including, for the avoidance of doubt, the obligation to pay Additional Amounts pursuant to Section 4.07); and

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing under this Indenture.

For purposes of this Section 11.01, the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of one or more Subsidiaries of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, to another Person.

Section 11.02 *Successor Corporation to Be Substituted.* In case of any such Business Combination Event and upon the assumption by the Successor Company, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and accrued and unpaid interest on all of the Notes, the due and punctual delivery of any consideration due upon conversion of the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such Successor Company (if not the Company) shall succeed to and, except in the case of a lease of all or substantially all of the Company's properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such Successor Company instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Notes that previously shall have been signed and delivered by the Officers of the Company to the Trustee for authentication, and any Notes that such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof. In the event of any Business Combination Event (but not in the case of a lease), upon compliance with this Article 11 the Person named as the "Company" in the first paragraph of this Indenture (or any successor that shall thereafter have become such in the manner prescribed in this Article 11) may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture and the Notes.

In case of any Business Combination Event, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 11.03 *Opinion of Counsel to Be Given to Trustee.* No such Business Combination Event shall be effective unless the Trustee shall receive an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such Business Combination Event and any such assumption and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the provisions of this Article 11.

ARTICLE 12
IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

Section 12.01 *Indenture and Notes Solely Corporate Obligations.* No recourse for the payment of the principal of or accrued and unpaid interest on any Note, nor for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in this Indenture or in any supplemental indenture or in any Note, nor because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, employee, agent, Officer or director or Subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of

law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

ARTICLE 13
INTENTIONALLY OMITTED

ARTICLE 14
CONVERSION OF NOTES

Section 14.01 *Conversion Privilege.* Subject to and upon compliance with the provisions of this Article 14, each Holder of a Note shall have the right, at such Holder's option, to convert all or any portion (if the portion to be converted is $1,000 principal amount or an integral multiple thereof) of such Note at any time prior to the close of business on the third Business Day immediately preceding the Maturity Date at an initial conversion rate of 36.1916 Common Shares (subject to adjustment as provided in this Article 14, the "**Conversion Rate**") per $1,000 principal amount of Notes (subject to, and in accordance with, the settlement provisions of Section 14.02, the "**Conversion Obligation**").

Section 14.02 *Conversion Procedure; Settlement Upon Conversion*.

(a) Upon conversion of any Note, the Company shall cause to be delivered to the converting Holder, in respect of each $1,000 principal amount of Notes being converted, a number of Common Shares equal to the Conversion Rate in effect immediately prior to the close of business on the relevant Conversion Date, together with a cash payment, if applicable, in lieu of delivering any fractional Common Share in accordance with subsection (j) of this Section 14.02, on the third Business Day immediately following the relevant Conversion Date *provided* that, if a Conversion Date occurs (i) following the Regular Record Date immediately preceding the Maturity Date, subject to clause (ii) below, the Company shall cause such delivery (and payment, if applicable) to be made on the Maturity Date or (ii) after the Common Shares have been replaced by the Reference Property consisting solely of cash in accordance with Section 14.07, the Company shall cause the consideration due in respect of the conversion to be paid to the converting Holder on the tenth Business Day immediately following the related Conversion Date.

(b) Subject to Section 14.02(e), before any Holder of a Note shall be entitled to convert a Note as set forth above, such Holder shall (i) in the case of a Global Note, comply with the procedures of the Depositary in effect at that time and, if required, pay funds equal to interest payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h) and, if required, pay all documentary, stamp or similar issue or transfer tax, if any, and (ii) in the case of a Physical Note (1) complete, manually sign and deliver an irrevocable notice that is duly completed to the Conversion Agent as set forth in the Form of Notice of Conversion (a "**Notice of Conversion**") at the office of the Conversion Agent and state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which such Holder wishes the certificate or certificates for any Common Shares to be delivered upon settlement of the Conversion Obligation to be registered, (2) surrender such Notes, duly endorsed to the Company or in blank (and accompanied by appropriate endorsement

and transfer documents), at the office of the Conversion Agent, (3) if required, furnish appropriate endorsements and transfer documents, (4) if required, pay all documentary, stamp or similar issue or transfer taxes and (5) if required, pay funds equal to interest payable on the next Interest Payment Date to which such Holder is not entitled as set forth in Section 14.02(h). The Trustee (and if different, the Conversion Agent) shall notify the Company of any conversion pursuant to this Article 14 on the Conversion Date for such conversion. No Notice of Conversion with respect to any Notes may be surrendered by a Holder thereof if such Holder has also delivered a Fundamental Change Repurchase Notice to the Company in respect of such Notes and has not validly withdrawn such Fundamental Change Repurchase Notice in accordance with Section 15.03. If a Holder submits Notes for repurchase, such Holder's rights to withdraw the Fundamental Change Repurchase Notice and convert the Notes subject to repurchase will terminate at the close of business on the third Business Day immediately preceding the relevant Fundamental Change Repurchase Date.

If more than one Note shall be surrendered for conversion at one time by the same Holder, the Conversion Obligation with respect to such Notes shall be computed on the basis of the aggregate principal amount of the Notes (or specified portions thereof to the extent permitted thereby) so surrendered.

(c) A Note shall be deemed to have been converted immediately prior to the close of business on the date (the "**Conversion Date**") that the Holder has complied with the requirements set forth in subsection (b) above. The Company shall issue or cause to be issued, and deliver or cause to be delivered to such Holder, or such Holder's nominee or nominees, certificates or a book-entry transfer through the Depositary for the full number of Common Shares to which such Holder shall be entitled in satisfaction of the Company's Conversion Obligation.

(d) In case any Physical Note shall be surrendered for partial conversion, the Company shall execute and instruct the Trustee who shall authenticate and deliver to or upon the written order of the Holder of the Note so surrendered a new Note or Notes in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Note, without payment of any service charge by the converting Holder but, if required by the Company or the Trustee, with payment of a sum sufficient to cover any documentary, stamp or similar issue or transfer tax or similar governmental charge required by law or that may be imposed in connection therewith as a result of the name of the Holder of the new Notes issued upon such conversion being different from the name of the Holder of the old Notes surrendered for such conversion.

(e) If a Holder submits a Note for conversion, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of the Common Shares upon conversion, unless the tax is due because the Holder requests such shares to be issued in a name other than the Holder's name, in which case the Holder shall pay that tax. The Company may refuse to deliver the certificates representing the Common Shares being issued in a name other than the Holder's name until the Company receives a sum sufficient to pay any tax that is due by such Holder in accordance with the immediately preceding sentence.

(f) Except as provided in Section 14.04, no adjustment shall be made for dividends on any Common Shares issued upon the conversion of any Note as provided in this Article 14.

(g) Upon the conversion of an interest in a Global Note, the Trustee, or the Custodian at the direction of the Trustee, shall make a notation on such Global Note as to the reduction in the principal amount represented thereby. The Company shall notify the Trustee in writing of any conversion of Notes effected through any Conversion Agent other than the Trustee.

(h) Upon conversion, a converting Holder shall not receive any additional cash payment or additional shares representing accrued and unpaid interest, if any, except as set forth below and the Company will not adjust the Conversion Rate for any accrued and unpaid interest on the Notes. The Company's settlement of the full Conversion Obligation shall be deemed to satisfy in full its obligation to pay the principal amount of the Note and accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date. As a result, accrued and unpaid interest, if any, to, but not including, the relevant Conversion Date shall be deemed to be paid in full rather than cancelled, extinguished or forfeited. Notwithstanding the foregoing, if Notes are converted after the close of business on a Regular Record Date and prior to the open of business on the corresponding Interest Payment Date, Holders of such Notes as of the close of business on such Regular Record Date will receive the full amount of interest payable on such Notes on the corresponding Interest Payment Date notwithstanding the conversion. However, Notes surrendered for conversion during the period from the close of business on any Regular Record Date to the open of business on the immediately following Interest Payment Date must be accompanied by funds equal to the amount of interest payable on the Notes so converted; *provided* that no such payment shall be required (1) if the Notes are surrendered for conversion after the close of business on the Regular Record Date immediately preceding the Maturity Date; (2) if the Company has delivered an Optional Redemption Notice pursuant to Article 16 and has specified therein an Optional Redemption Date that is after a Regular Record Date and on or prior to the Business Day immediately following the date on which the corresponding interest amount is paid; (3) if the Company has delivered a Tax Redemption Notice pursuant to Article 17 and has specified therein a Tax Redemption Date that is after a Regular Record Date and on or prior to the Business Day immediately following the date on which the corresponding interest amount is paid; (4) if the Company has specified a Fundamental Change Repurchase Date that is after a Regular Record Date and on or prior to the Business Day immediately following the date on which the corresponding interest amount is paid; or (5) to the extent of any Defaulted Amounts, if any Defaulted Amounts exist at the time of conversion with respect to such Note. Therefore, for the avoidance of doubt, all Holders of record as of the close of business on the Regular Record Date immediately preceding the Maturity Date, any Fundamental Change Repurchase Date, Optional Redemption Date or Tax Redemption Date in each case as described above shall receive the full interest payment due on the corresponding Interest Payment Date regardless of whether their Notes have been converted following such Regular Record Date.

(i) Any conversion of Notes shall be deemed to have been effected on the Conversion Date for such Notes. The Person in whose name the Common Shares shall be issuable upon conversion shall be treated as a stockholder of record as of the close of business on the relevant Conversion Date. Upon a conversion of Notes, such Person shall no longer be a Holder of such Notes surrendered for conversion other than for purposes of receiving the

consideration due upon conversion and, if such Person was the record Holder as of a Regular Record Date, receiving the related interest payment.

(j) The Company shall not issue any fractional Common Share upon conversion of the Notes and shall instead pay cash in lieu of delivering any fractional Common Share issuable upon conversion based on the Last Reported Sale Price of the Common Shares on the relevant Conversion Date (or if such Conversion Date is not a Trading Day, the immediately preceding Trading Day).

Section 14.03 *Increased Conversion Rate Applicable to Certain Notes Surrendered in Connection with Make-Whole Fundamental Changes or Notice of Redemption*.

(a) If (i) the Effective Date of a Make-Whole Fundamental Change occurs prior to the Maturity Date, (ii) the Company delivers an Optional Redemption Notice or (iii) the Company delivers a Tax Redemption Notice and, in each case, a Holder elects to convert its Notes in connection with such Make-Whole Fundamental Change or such Optional Redemption or such Tax Redemption, as the case may be, the Company shall, under the circumstances described below, increase the Conversion Rate for the Notes so surrendered for conversion by a number of additional Common Shares (the "**Additional Shares**"), as described below. A conversion of Notes shall be deemed for these purposes to be "in connection with" a Make-Whole Fundamental Change if the relevant Conversion Date occurs during the period from, and including, the Effective Date of the Make-Whole Fundamental Change up to, and including, the third Business Day immediately prior to the related Fundamental Change Repurchase Date (or, in the case of an Exempted Fundamental Change or a Make-Whole Fundamental Change that would have been a Fundamental Change but for the *proviso* in clause (b) of the definition thereof, the 35th Trading Day immediately following the Effective Date of such Exempted Fundamental Change or Make-Whole Fundamental Change, as applicable) (such period, the "**Make-Whole Fundamental Change Period**"). The Company shall notify the Holders of Notes of the Effective Date of any Make-Whole Fundamental Change no later than five Business Days after such Effective Date. A conversion of Notes will be deemed for these purposes to be "in connection with" an Optional Redemption or Tax Redemption, as the case may be, if the Notes are called for redemption and the relevant Conversion Date occurs during the period from, and including, the date the Company delivers an Optional Redemption Notice or a Tax Redemption Notice, as the case may be, to, and including, the third Business Day immediately prior to the related Optional Redemption Date or Tax Redemption Date, as the case may be. For the avoidance of doubt, the Company will only adjust the Conversion Rate with respect to any Notes called for Optional Redemption or Tax Redemption, as the case may be, and not with respect to the Notes not called for Optional Redemption. If the Company elects to redeem less than all of the outstanding Notes, then Holders of the Notes not called for Optional Redemption will not be entitled to an increased Conversion Rate for such Notes as described in this Section 14.03 on account of the redemption.

(b) Upon surrender of Notes for conversion in connection with a Make-Whole Fundamental Change, an Optional Redemption or a Tax Redemption, as the case may be, the Company shall cause to be delivered Common Shares, including the Additional Shares, due upon conversion in accordance with Section 14.02; *provided*, *however*, that if the consideration for the

Common Shares in any Make-Whole Fundamental Change described in clause (b) of the definition of Fundamental Change is comprised entirely of cash, for any conversion of Notes following the Effective Date of such Make-Whole Fundamental Change, the Conversion Obligation shall be calculated based solely on the Stock Price for the transaction and shall be deemed to be an amount of cash per $1,000 principal amount of converted Notes equal to the Conversion Rate (including any adjustment for Additional Shares), *multiplied by* such Stock Price. In such event, the Conversion Obligation will be determined and paid to the Holders of the Notes in cash on the tenth Business Day following the relevant Conversion Date

(c) The number of Additional Shares, if any, by which the Conversion Rate shall be increased shall be determined by reference to the table below, based on the date on which the Make-Whole Fundamental Change occurs or becomes effective or, in the case of an Optional Redemption or a Tax Redemption, the date on which the Company delivers an Optional Redemption Notice or a Tax Redemption Notice (in each case, the "**Effective Date**") and the price paid (or deemed to be paid) per Common Share in the Make-Whole Fundamental Change or, in the case of either an Optional Redemption or a Tax Redemption, the average of the Last Reported Sale Prices of the Common Shares over the five consecutive Trading Days ending on, and including, the Trading Day immediately preceding the relevant Effective Date, as the case may be (in each case, the "**Stock Price**"). If the holders of the Common Shares receive in exchange for their Common Shares only cash in a Make-Whole Fundamental Change described in clause (b) of the definition of Fundamental Change, the Stock Price shall be the cash amount paid per share. In the case of any other Make-Whole Fundamental Change, the Stock Price shall be the average of the Last Reported Sale Prices of the Common Shares over the five consecutive Trading Days ending on, and including, the Trading Day immediately preceding the Effective Date of the Make-Whole Fundamental Change. In the event that a conversion during the period from, and including, the date of an Optional Redemption Notice or Tax Redemption Notice, as the case may be, up to, and including, the third Business Day immediately prior to the related Optional Redemption Date or the Tax Redemption Notice, as the case may be, would also be deemed to be a conversion in connection with a Make-Whole Fundamental Change, a Holder of the Notes to be converted will be entitled to a single increase to the Conversion Rate with respect to the first to occur of the earliest applicable Redemption Notice Date and the Effective Date of any applicable Make-Whole Fundamental Change, and the later event(s) will be deemed not to have occurred for purposes of this Section 14.03 with respect to such conversion.

(d) The Stock Prices set forth in the column headings of the table below shall be adjusted as of any date on which the Conversion Rate of the Notes is otherwise adjusted. The adjusted Stock Prices shall equal the Stock Prices applicable immediately prior to such adjustment, *multiplied by* a fraction, the numerator of which is the Conversion Rate immediately prior to such adjustment giving rise to the Stock Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional Shares set forth in the table below shall be adjusted in the same manner and at the same time as the Conversion Rate as set forth in Section 14.04.

(e) The following table sets forth the number of Additional Shares by which the Conversion Rate shall be increased per $1,000 principal amount of Notes pursuant to this Section 14.03 for each Stock Price and Effective Date set forth below:

	Stock Price											
Effective Date	$19.39	$22.50	$25.00	$27.63	$30.00	$32.50	$35.92	$40.00	$50.00	$60.00	$80.00	$100.00
January 13, 2026..	15.3813	11.3169	8.9752	7.1089	5.8043	4.7135	3.5690	2.5748	1.1432	0.4582	0.0071	0.0000
January 15, 2027..	15.3813	11.1702	8.7476	6.8364	5.5147	4.4212	3.2890	2.3220	0.9714	0.3560	0.0000	0.0000
January 15, 2028..	15.3813	10.8089	8.2980	6.3467	5.0197	3.9400	2.8460	1.9378	0.7298	0.2232	0.0000	0.0000
January 15, 2029..	15.3813	10.2542	7.6060	5.5986	4.2723	3.2268	2.2088	1.4075	0.4362	0.0878	0.0000	0.0000
January 15, 2030..	15.3813	9.3382	6.4160	4.3109	3.0127	2.0680	1.2411	0.6743	0.1258	0.0018	0.0000	0.0000
January 15, 2031..	15.3813	8.2528	3.8084	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The exact Stock Prices and Effective Dates may not be set forth in the table above, in which case:

(i) if the Stock Price is between two Stock Prices in the table above or the Effective Date is between two Effective Dates in the table, the number of Additional Shares shall be determined by a straight-line interpolation between the number of Additional Shares set forth for the higher and lower Stock Prices and the earlier and later Effective Dates based on a 365 or 366-day year, as applicable;

(ii) if the Stock Price is greater than $100.00 per share (subject to adjustment in the same manner as the Stock Prices set forth in the column headings of the table above pursuant to subsection (d) above), no Additional Shares shall be added to the Conversion Rate; and

(iii) if the Stock Price is less than $19.39 per share (subject to adjustment in the same manner as the Stock Prices set forth in the column headings of the table above pursuant to subsection (d) above), no Additional Shares shall be added to the Conversion Rate.

Notwithstanding the foregoing, in no event shall the total number of Common Shares issuable upon Conversion exceed 51.5729 Common Shares per $1,000 principal amount of Notes, subject to adjustment in the same manner as the Conversion Rate pursuant to Section 14.04.

(f) Nothing in this Section 14.03 shall prevent an adjustment to the Conversion Rate pursuant to Section 14.04.

Section 14.04 *Adjustment of Conversion Rate.* The Conversion Rate shall be adjusted from time to time by the Company if any of the following events occurs, except that the Company shall not make any adjustments to the Conversion Rate if Holders of the Notes participate (other than in the case of (x) a share split or share combination or (y) a tender or exchange offer), at the same time and upon the same terms as holders of the Common Shares and solely as a result of holding the Notes, in any of the transactions described in this Section 14.04, without having to convert their Notes, as if they held a number of Common Shares equal to the Conversion Rate, *multiplied by* the principal amount (expressed in thousands) of Notes held by such Holder.

(a) If the Company exclusively issues Common Shares as a dividend or distribution on Common Shares, or if the Company effects a share split or share combination of Common Shares, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the close of business on the Record Date of such dividend or distribution, or immediately prior to the open of business on the effective date of such share split or share combination, as applicable;

CR_1 = the Conversion Rate in effect immediately after the close of business on such Record Date or immediately after the open of business on such effective date, as applicable;

OS_0 = the number of Common Shares outstanding immediately prior to the close of business on such Record Date or immediately prior to the open of business on such effective date, as applicable; and

OS_1 = the number of Common Shares outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

Any adjustment made under this Section 14.04(a) shall become effective immediately after the close of business on the Record Date for such dividend or distribution, or immediately after the open of business on the effective date for such share split or share combination, as applicable. If any dividend or distribution of the type described in this Section 14.04(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Company distributes to all or substantially all holders of Common Shares of any rights, options or warrants entitling such holders for a period of not more than 45 calendar days after the announcement date of such distribution to subscribe for or purchase Common Shares at a price per share that is less than the average of the Last Reported Sale Prices of the Company's Common Shares for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such distribution;

CR_1 = the Conversion Rate in effect immediately after the close of business on such Record Date;

OS_0 = the number of Common Shares outstanding immediately prior to the close of business on such Record Date;

X = the total number of Common Shares issuable pursuant to such rights, options or warrants; and

Y = the number of Common Shares equal to the aggregate price payable to exercise such rights, options or warrants, *divided by* the average of the Last Reported Sale Prices of the Common Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of the distribution of such rights, options or warrants.

Any increase made under this Section 14.04(b) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the close of business on the Record Date for such distribution. To the extent that Common Shares are not delivered after the expiration of such rights, options or warrants, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect had the increase with respect to the distribution of such rights, options or warrants been made on the basis of delivery of only the number of Common Shares actually delivered. If such rights, options or warrants are not so distributed, the Conversion Rate shall be decreased to the Conversion Rate that would then be in effect if such Record Date for such distribution had not occurred.

For purposes of this Section 14.04(b), in determining whether any rights, options or warrants entitle the holders of Common Shares to subscribe for or purchase Common Shares at less than such average of the Last Reported Sale Prices of the Common Shares for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such Common Shares, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(c) If the Company distributes shares of its Capital Stock, evidences of its indebtedness, other assets or property of the Company or rights, options or warrants to acquire its Capital Stock or other securities, to all or substantially all holders of the Common Shares, excluding (i) dividends, distributions or issuances as to which an adjustment is effective (or would be effected) pursuant to Section 14.04(a) or Section 14.04(b), (ii) dividends or distributions paid exclusively in cash as to which an adjustment is required pursuant to Section 14.04(d), (iii) distributions of Reference Property in exchange for, or upon conversion of, Common Shares in a Merger Event, (iv) Spin-Offs as to which the provisions set forth below in this Section 14.04(c) shall apply and (v) a tender offer or an exchange offer for Common Shares as to which the provisions set forth below in this Section 14.04(c) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or

warrants to acquire Capital Stock or other securities of the Company, the "**Distributed Property**"), then the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such distribution;

CR_1 = the Conversion Rate in effect immediately after the close of business on such Record Date;

SP_0 = the average of the Last Reported Sale Prices of the Common Shares over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

FMV = the fair market value (as determined by the Board of Directors) of the Distributed Property with respect to each outstanding Common Share on the Ex-Dividend Date for such distribution.

Any increase made under the portion of this Section 14.04(c) above shall become effective immediately after the close of business on the Record Date for such distribution. If such distribution is not so paid or made, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to make or pay such distribution, to the Conversion Rate that would then be in effect had the adjustment been made on the basis of only such amount of such distribution, if any, actually paid or made. Notwithstanding the foregoing, if "FMV" (as defined above) is equal to or greater than "SP_0" (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, in respect of each $1,000 principal amount thereof, at the same time and upon the same terms as holders of the Common Shares receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder owned a number of Common Shares equal to the Conversion Rate in effect on the Record Date for the distribution. If the Board of Directors determines the "FMV" (as defined above) of any distribution for purposes of this Section 14.04(c) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution.

With respect to an adjustment pursuant to this Section 14.04(c) where there has been a payment of a dividend or other distribution on the Common Shares of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company, where such Capital Stock or similar equity interest is listed or quoted (or will be listed or quoted upon consummation of the Spin-Off) on a U.S. national or regional securities exchange (a "**Spin-Off**"), the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the end of the Valuation Period for such Spin-Off;

CR_1 = the Conversion Rate in effect immediately after the end of the Valuation Period;

FMV_0 = the average of the Last Reported Sale Prices of the Capital Stock or similar equity interest distributed to holders of the Common Shares applicable to one Common Share (determined by reference to the definition of Last Reported Sale Price as set forth in Section 1.01 as if references therein to Common Shares were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period beginning on, and including, the Ex-Dividend Date of the Spin-Off (the "**Valuation Period**"); and

MP_0 = the average of the Last Reported Sale Prices of the Common Shares over the Valuation Period.

The increase to the Conversion Rate under the preceding paragraph shall be determined on the last Trading Day of the Valuation Period; *provided* that in respect of any conversion of Notes during the Valuation Period, references in the portion of this Section 14.04(c) related to Spin-Offs with respect to 10 Trading Days shall be deemed to be replaced with such lesser number of Trading Days as have elapsed from, and including, the Ex-Dividend Date of such Spin-Off to, and including, the Conversion Date in determining the applicable Conversion Rate.

For purposes of this Section 14.04(c) (and subject in all respect to Section 14.11), rights, options or warrants distributed by the Company to all holders of the Common Shares entitling them to subscribe for or purchase shares of the Company's Capital Stock, including Common Shares (either initially or under certain circumstances), which rights, options or warrants, until the occurrence of a specified event or events ("**Trigger Event**"): (i) are deemed to be transferred with such Common Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of the Common Shares, shall be deemed not to have been distributed for purposes of this Section 14.04(c) (and no adjustment to the Conversion Rate under this Section 14.04(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights, options or warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 14.04(c). If any such right, option or warrant, including any such existing rights, options or warrants distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, options or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Record Date with respect to new rights, options or warrants with such rights (in which case the existing rights, options or warrants shall be deemed to terminate and expire on such date without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, options or warrants, or any Trigger Event or other event (of the type described in the immediately preceding sentence) with respect thereto that was

counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 14.04(c) was made, (1) in the case of any such rights, options or warrants that shall all have been redeemed or purchased without exercise by any holders thereof, upon such final redemption or purchase (x) the Conversion Rate shall be readjusted as if such rights, options or warrants had not been issued and (y) the Conversion Rate shall then again be readjusted to give effect to such distribution, deemed distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by a holder or holders of Common Shares with respect to such rights, options or warrants (assuming such holder had retained such rights, options or warrants), made to all holders of Common Shares as of the date of such redemption or purchase, and (2) in the case of such rights, options or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights, options and warrants had not been issued.

For purposes of Section 14.04(a), Section 14.04(b) and this Section 14.04(c), if any dividend or distribution to which this Section 14.04(c) is applicable also includes one or both of:

(A) a dividend or distribution of Common Shares to which Section 14.04(a) is applicable (the "**Clause A Distribution**"); or

(B) a dividend or distribution of rights, options or warrants to which Section 14.04(b) is applicable (the "**Clause B Distribution**"), then, in either case, (1) such dividend or distribution, other than the Clause A Distribution and the Clause B Distribution, shall be deemed to be a dividend or distribution to which this Section 14.04(c) is applicable (the "**Clause C Distribution**") and any Conversion Rate adjustment required by this Section 14.04(c) with respect to such Clause C Distribution shall then be made, and (2) the Clause A Distribution and Clause B Distribution shall be deemed to immediately follow the Clause C Distribution and any Conversion Rate adjustment required by Section 14.04(a) and Section 14.04(b) with respect thereto shall then be made, except that, if determined by the Company (I) the "Record Date" of the Clause A Distribution and the Clause B Distribution shall be deemed to be the Record Date of the Clause C Distribution and (II) any shares of Common Shares included in the Clause A Distribution or Clause B Distribution shall be deemed not to be "outstanding immediately prior to the close of business on such Record Date or immediately after the open of business on such effective date, as applicable" within the meaning of Section 14.04(a) or "outstanding immediately prior to the close of business on such Record Date" within the meaning of Section 14.04(b).

(d) If any cash dividend or distribution is made to all or substantially all holders of the Common Shares, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the close of business on the Record Date for such dividend or distribution;

CR_1 = the Conversion Rate in effect immediately after the close of business on the Record Date for such dividend or distribution;

SP_0 = the Last Reported Sale Price of the Common Shares on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

C = the amount in cash per share the Company distributes to all or substantially all holders of the Common Shares.

Any increase pursuant to this Section 14.04(d) shall become effective immediately after the close of business on the Record Date for such dividend or distribution. If such dividend or distribution is not so paid, the Conversion Rate shall be decreased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. Notwithstanding the foregoing, if "C" (as defined above) is equal to or greater than "SP_0" (as defined above), in lieu of the foregoing increase, each Holder of a Note shall receive, for each $1,000 principal amount of Notes, at the same time and upon the same terms as holders of Common Shares, the amount of cash that such Holder would have received if such Holder owned a number of Common Shares equal to the Conversion Rate on the Ex-Dividend Date for such cash dividend or distribution.

(e) If the Company or any of its Subsidiaries makes a payment in respect of a tender offer or exchange offer for the Common Shares, and the cash and value of any other consideration included in the payment per Common Share exceeds the average of the Last Reported Sale Prices of the Common Shares over the 10 consecutive Trading Day period commencing on, and including, the Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the Conversion Rate shall be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

CR_0 = the Conversion Rate in effect immediately prior to the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires;

CR_1 = the Conversion Rate in effect immediately after the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires;

AC = the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for shares purchased in such tender or exchange offer;

OS_0 = the number of Common Shares outstanding immediately prior to the date such tender or exchange offer expires (prior to giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer);

OS_1 = the number of Common Shares outstanding immediately after the date such tender or exchange offer expires (after giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer); and

SP_1 = the average of the Last Reported Sale Prices of the Common Shares over the 10 consecutive Trading Day period beginning on, and including, the Trading Day next succeeding the date such tender or exchange offer expires.

The adjustment to the Conversion Rate under this Section 14.04(e) shall be determined at the close of business on the 10th Trading Day immediately following, and including, the Trading Day next succeeding the date such tender or exchange offer expires; *provided* that in respect of any conversion of Notes within the 10 Trading Days immediately following, and including, the Trading Day next succeeding the expiration date of any tender or exchange offer, references in this Section 14.04(e) with respect to 10 Trading Days shall be deemed replaced with such lesser number of Trading Days as have elapsed from, and including, the Trading Day next succeeding the expiration date of such tender or exchange offer to, and including, the Conversion Date in determining the applicable Conversion Rate.

(f) Except as stated herein, the Company shall not adjust the Conversion Rate for the issuance of Common Shares or any securities convertible into or exchangeable for Common Shares or the right to purchase Common Shares or such convertible or exchangeable securities. Notwithstanding anything to the contrary herein, if any Conversion Rate adjustment set forth in clauses (a), (b), (c), (d) and (e) of this Section 14.04 becomes effective as described above, and a Holder that has converted any Notes with a Conversion Date occurring on or after the date such Conversion Rate adjustment becomes effective will participate (other than in the case of a share split or combination), at the same time and upon the same terms as holders of the Common Shares and solely as a result of holding the Common Shares issuable upon conversion of such Notes, in the transaction or event giving rise to such Conversion Rate adjustment, then such Conversion Rate adjustment will not be made with respect to such Notes.

(g) In addition to those adjustments required by clauses (a), (b), (c), (d) and (e) of this Section 14.04, and to the extent permitted by applicable law and subject to the applicable rules of the Nasdaq Global Select Market or any other securities exchange on which any of the Company's securities are then listed, (i) the Company may increase the Conversion Rate by any amount for a period of at least 20 Business Days if the Board of Directors determines that such increase would be in the Company's best interest, which determination shall be conclusive, and (ii) the Company may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of Common Shares or rights to purchase Common Shares in connection with a dividend or distribution of Common Shares (or rights to acquire Common Shares) or similar event. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall mail to the Holder of each Note at its last address appearing on the Note Register a notice of the increase at least 15 days prior to the date the increased Conversion

Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(h) Notwithstanding anything to the contrary in this Article 14, the Conversion Rate shall not be adjusted:

(i) upon the issuance of any Common Shares at a price below the Conversion Price or otherwise (other than in connection with a transaction described in clauses (a) through (c) of this Section 14.04 above);

(ii) upon the issuance of any Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Common Shares under any plan;

(iii) upon the issuance of any Common Shares or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of the Company's Subsidiaries;

(iv) upon the issuance of any Common Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in clause (iii) of this subsection and outstanding as of the date the Notes were first issued;

(v) upon the repurchase of any of Common Shares pursuant to an open market share repurchase program or other buy-back transaction that is not a tender offer or exchange offer of the nature described under clause (c) of this Section 14.04 above;

(vi) for a change solely in the par value (or lack of par value) of the Common Shares; or

(vii) for accrued and unpaid interest, if any.

(i) All calculations and other determinations under this Article 14 shall be made by the Company and shall be made to the nearest one-ten thousandth (1/10,000th) of a share. The Company shall not be required to make an adjustment to the Conversion Rate unless the adjustment (taken together with all carried forward adjustments) would require a change of at least 1% in the Conversion Rate. However, the Company shall carry forward any adjustments that are less than 1% of the Conversion Rate and make such carried-forward adjustments, regardless of whether the aggregate adjustment is less than 1%, on (x) December 31 of each calendar year and (y) the Conversion Date for any conversion of Notes.

(j) Whenever the Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee (and the Conversion Agent if not the Trustee) an Officer's Certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Responsible Officer of the Trustee shall have received such Officer's Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume without inquiry that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such

certificate, the Company shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to each Holder at its last address appearing on the Note Register of this Indenture. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) For purposes of this Section 14.04, the number of Common Shares at any time outstanding shall not include Common Shares held in the treasury of the Company so long as the Company does not pay any dividend or make any distribution on Common Shares held in the treasury of the Company, but shall include Common Shares issuable in respect of scrip certificates issued in lieu of fractions of Common Shares.

Section 14.05 *Adjustments of Prices.* Whenever any provision of this Indenture requires the Company to calculate prices or values over a span of multiple days, including the Last Reported Sale Prices, the Company shall make appropriate adjustments in good faith and in a commercially reasonable manner to account for any adjustment to the Conversion Rate that becomes effective, or any event requiring an adjustment to the Conversion Rate where the Ex-Dividend Date, effective date or expiration date of the event occurs at any time during the relevant calculation period.

Section 14.06 *Shares to Be Fully Paid.* The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient Common Shares to provide for conversion of the Notes from time to time as such Notes are presented for conversion (assuming that at the time of computation of such number of shares, all such Notes would be converted by a single Holder, and including the maximum number of Additional Shares that would be issuable upon conversion in connection with a Make-Whole Fundamental Change, an Optional Redemption or a Tax Redemption).

Section 14.07 *Effect of Recapitalizations, Reclassifications and Changes of the Common Shares*.

(a) In the case of:

(i) any recapitalization, reclassification or change of the Common Shares (other than changes resulting from a subdivision or combination),

(ii) any consolidation, merger or combination involving the Company,

(iii) any sale, lease or other transfer to a third party of all or substantially all of the Company's property or assets; or

(iv) any statutory share exchange,

in each case, as a result of which the Common Shares would be converted into, or exchanged for, stock, other securities or other property or assets (including cash or any combination thereof) (any such event, a "**Merger Event**"), then, prior to or at the effective time of such Merger Event, the Company or the successor or purchasing corporation, as the case may be, shall execute with the Trustee a supplemental indenture permitted under Section 10.01(g) providing that, at and

after the effective time of such Merger Event, the right to convert each $1,000 principal amount of Notes shall be changed into a right to convert such principal amount of Notes into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of Common Shares equal to the Conversion Rate immediately prior to such Merger Event would have owned or been entitled to receive (the "**Reference Property**," with each "**unit of Reference Property**" meaning the kind and amount of Reference Property that a holder of one Common Share is entitled to receive) upon such Merger Event. However, at and after the effective time of the Merger Event, the number of Common Shares otherwise deliverable upon conversion of the Notes as set forth under Section 14.01 will instead be deliverable in the amount and type of Reference Property that a holder of that number of Common Shares would have received in such Merger Event.

If the Merger Event causes the Common Shares to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), then (i) the Reference Property into which the Notes will be convertible shall be deemed to be the weighted average of the types and amounts of consideration actually received by the holders of Common Shares, and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one Common Share. The Company shall notify Holders, the Trustee and the Conversion Agent (if other than the Trustee) in writing of such weighted average as soon as practicable after such determination is made. If the holders of Common Shares receive only cash in such Merger Event, then for all conversions that occur after the effective date of such Merger Event (i) the consideration due upon conversion of each $1,000 principal amount of Notes shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date (as may be increased as described under Section 14.03), multiplied by the price paid per Common Share in such Merger Event and (ii) the Company shall satisfy its Conversion Obligation by paying cash to converting Holders on the tenth Business Day immediately following the Conversion Date. The Company shall provide written notification of such Merger Event to Holders, the Trustee and the Conversion Agent (if other than the Trustee) no later than the Business Day after the effective date of such Merger Event.

Such supplemental indenture described in the second immediately preceding paragraph shall not required the consent of the Holders and shall provide for anti-dilution and other adjustments that shall be as nearly equivalent as possible to the adjustments provided for in this Article 14. If, in the case of any Merger Event, the Reference Property includes shares of stock, securities or other property or assets (including cash or any combination thereof) of a Person other than the successor or purchasing corporation, as the case may be, in such Merger Event, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of the Notes as the Board of Directors shall reasonably consider necessary by reason of the foregoing, including the provisions providing for the purchase rights set forth in Article 15.

(b) When the Company executes a supplemental indenture pursuant to subsection (a) of this Section 14.07, the Company shall promptly file with the Trustee an Officer's Certificate briefly stating the reasons therefor, the kind or amount of cash, securities or property or asset that will comprise a unit of Reference Property after any such Merger Event, any adjustment to be made with respect thereto and that all conditions precedent have been complied with, and shall

promptly provide notice thereof to all Holders. The Company shall cause notice of the execution of such supplemental indenture to be provided to each Holder, at its address appearing on the Note Register provided for in this Indenture, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

(c) The Company shall not become a party to any Merger Event unless its terms are consistent with this Section 14.07. None of the foregoing provisions shall affect the right of a Holder of Notes to convert its Notes into Common Shares as set forth in Section 14.01 and Section 14.02 prior to the effective date of such Merger Event.

(d) The above provisions of this Section shall similarly apply to successive Merger Events.

Section 14.08 *Certain Covenants.* (a) The Company covenants that all Common Shares issued upon conversion of Notes will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(b) The Company covenants that, if any Common Shares to be issued upon conversion of Notes hereunder require registration with or approval of any governmental authority under any federal or state law before such Common Shares may be validly issued upon conversion, the Company will, to the extent then permitted by the rules and interpretations of the Commission, secure such registration or approval, as the case may be.

(c) The Company further covenants that if at any time the Common Shares shall be listed on any national securities exchange or automated quotation system the Company will list and keep listed, so long as the Common Shares shall be so listed on such exchange or automated quotation system, any Common Shares issuable upon conversion of the Notes.

Section 14.09 *Responsibility of Trustee.* The Trustee and any other Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine the Conversion Rate (or any adjustment thereto) or whether any facts exist that may require any adjustment (including any increase) of the Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares, or of any securities, property or cash that may at any time be issued or delivered upon the conversion of any Note; and the Trustee and any other Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any Common Shares or stock certificates or other securities or property or cash upon the surrender of any Note for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 14.07 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders upon the conversion of their Notes after any event referred to in such Section 14.07 or to any

adjustment to be made with respect thereto, but, subject to the provisions of Section 7.01, may accept (without any independent investigation) as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon, the Officer's Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

Section 14.10 *Notice to Holders Prior to Certain Actions*. In case of any:

(a) action by the Company or one of its Subsidiaries that would require an adjustment in the Conversion Rate pursuant to Section 14.04 or Section 14.11;

(b) Merger Event; or

(c) voluntary or involuntary dissolution, liquidation or winding-up of the Company or any of its Significant Subsidiaries;

then, in each case (unless prior notice of such event is otherwise required pursuant to another provision of this Indenture), the Company shall cause to be filed with the Trustee and the Conversion Agent (if other than the Trustee) and to be mailed to each Holder at its address appearing on the Note Register, as promptly as possible but in any event at least 20 days prior to the applicable date hereinafter specified, a notice stating (i) the date on which a record is to be taken for the purpose of such action by the Company or one of its Subsidiaries or, if a record is not to be taken, the date as of which the holders of Common Shares of record are to be determined for the purposes of such action by the Company or one of its Subsidiaries, or (ii) the date on which such Merger Event, dissolution, liquidation or winding-up is expected to become effective or occur, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their Common Shares for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding-up. Failure to give such notice, or any defect therein, shall not affect the legality or validity of such action by the Company or one of its Subsidiaries, Merger Event, dissolution, liquidation or winding-up.

Section 14.11 *Stockholder Rights Plans.* If the Company has a stockholder rights plan in effect upon conversion of the Notes, Holders of the Notes shall be entitled to receive, in addition to the Common Share issued upon such conversion, the appropriate number of rights, if any, and the certificates representing the Common Shares issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any such stockholder rights plan, as the same may be amended from time to time. However, if, prior to any conversion of Notes, the rights have separated from the Common Shares in accordance with the provisions of the applicable stockholder rights plan so that the Holders would not be entitled to receive any rights in respect of Common Shares issuable upon conversion of the Notes, the Conversion Rate shall be adjusted at the time of separation as if the Company distributed to all or substantially all holders of the Common Share Distributed Property as provided in Section 14.04(c), subject to readjustment in the event of the expiration, termination or redemption of such rights.

ARTICLE 15
REPURCHASE OF NOTES AT OPTION OF HOLDERS

Section 15.01 *Intentionally Omitted*.

Section 15.02 *Repurchase at Option of Holders Upon a Fundamental Change.* (a) If a Fundamental Change occurs at any time, each Holder shall have the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes, or any portion of the principal amount thereof that is equal to $1,000 or an integral multiple of $1,000, on the Business Day (the "**Fundamental Change Repurchase Date**") notified in writing by the Company as set forth in Section 15.02(c) that is not less than 20 Business Days or more than 35 Business Days following the date of the Fundamental Change Company Notice at a repurchase price equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest thereon to, but excluding, the Fundamental Change Repurchase Date (the "**Fundamental Change Repurchase Price**"), unless the Fundamental Change Repurchase Date falls after a Regular Record Date but on or prior to the Interest Payment Date to which such Regular Record Date relates, in which case the Company shall instead pay on such Interest Payment Date the full amount of accrued and unpaid interest to Holders of record as of such Regular Record Date, and the Fundamental Change Repurchase Price shall be equal to 100% of the principal amount of Notes to be repurchased pursuant to this Article 15.

(b) Repurchases of Notes under this Section 15.02 shall be made, at the option of the Holder thereof, upon:

(i) delivery to the Paying Agent (or other agent appointed for such purpose) by a Holder of a duly completed notice (the "**Fundamental Change Repurchase Notice**") in the form set forth in Attachment 2 to the Form of Note attached hereto as Exhibit A, if the Notes are Physical Notes, or in compliance with the Depositary's procedures to exercise the repurchase right, if the Notes are Global Notes, in each case on or before the close of business on the third Business Day immediately preceding the Fundamental Change Repurchase Date; and

(ii) delivery of the Notes, if the Notes are Physical Notes, to the Paying Agent (or other agent appointed for such purpose) at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer) at the Corporate Trust Office of the Paying Agent, or book-entry transfer of the Notes, if the Notes are Global Notes, in compliance with the procedures of the Depositary, in each case such delivery being a condition to receipt by the Holder of the Fundamental Change Repurchase Price therefor.

The Fundamental Change Repurchase Notice in respect of any Notes to be repurchased shall state:

(i) in the case of Physical Notes, the certificate numbers of the Notes to be delivered for repurchase;

(ii) the portion of the principal amount of Notes to be repurchased, which must be $1,000 or an integral multiple thereof; and

(iii) that the Notes are to be repurchased by the Company pursuant to the applicable provisions of the Notes and this Indenture; *provided*, *however*, that if the

Notes are Global Notes, the Fundamental Change Repurchase Notice must comply with appropriate Depositary procedures.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Fundamental Change Repurchase Notice contemplated by this Section 15.02 shall have the right to withdraw, in whole or in part, such Fundamental Change Repurchase Notice at any time prior to the close of business on the third Business Day immediately preceding the Fundamental Change Repurchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 15.03.

The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Repurchase Notice or written notice of withdrawal thereof.

(c) On or before the 20th calendar day after the occurrence of the effective date of a Fundamental Change, the Company shall provide to all Holders of Notes and the Trustee, the Conversion Agent and the Paying Agent (in the case of a Paying Agent other than the Trustee) a notice (the "**Fundamental Change Company Notice**") of the occurrence of the effective date of the Fundamental Change and of the repurchase right at the option of the Holders arising as a result thereof. In the case of Physical Notes, such notice shall be by mail or, in the case of Global Notes, such notice shall be delivered in accordance with the applicable procedures of the Depositary. Simultaneously with providing such notice, the Company shall issue a press release containing the information set forth in the Fundamental Change Company Notice or publish such information on the Company's website or through such other public medium as the Company may use at that time. Each Fundamental Change Company Notice shall specify:

(i) the events causing the Fundamental Change and whether such transaction or event is also a Make-Whole Fundamental Change;

(ii) the effective date of the Fundamental Change;

(iii) the last date on which a Holder may exercise the repurchase right pursuant to this Article 15;

(iv) the Fundamental Change Repurchase Price;

(v) the Fundamental Change Repurchase Date;

(vi) the name and address of the Paying Agent and the Conversion Agent or any other agent appointed for the repurchase, if applicable;

(vii) if applicable, the Conversion Rate and any adjustments to the Conversion Rate as a result of such Fundamental Change if it is a Make-Whole Fundamental Change;

(viii) if applicable, that the Notes with respect to which a Fundamental Change Repurchase Notice has been delivered by a Holder may be converted only if the Holder validly withdraws the Fundamental Change Repurchase Notice in accordance with the terms of this Indenture; and

(ix) the procedures that Holders must follow to require the Company to repurchase their Notes.

No failure of the Company to give the foregoing notices and no defect therein shall limit the Holders' repurchase rights or affect the validity of the proceedings for the repurchase of the Notes pursuant to this Section 15.02.

At the Company's request, the Trustee shall give such notice in the Company's name and at the Company's expense; *provided*, *however*, that, in all cases, the text of such Fundamental Change Company Notice shall be prepared by the Company.

(d) Notwithstanding the foregoing, no Notes may be repurchased by the Company on any date at the option of the Holders upon a Fundamental Change if the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, on or prior to such date (except in the case of an acceleration resulting from a Default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes). The Paying Agent will promptly return to the respective Holders thereof any Physical Notes held by it during the acceleration of the Notes (except in the case of an acceleration resulting from a Default by the Company in the payment of the Fundamental Change Repurchase Price with respect to such Notes), or any instructions for book-entry transfer of the Notes in compliance with the procedures of the Depositary shall be deemed to have been cancelled, and, upon such return or cancellation, as the case may be, the Fundamental Change Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

(e) Notwithstanding anything to the contrary in this Indenture, the Company shall be deemed to satisfy its obligations to repurchase Notes upon a Fundamental Change pursuant to this Section 15.02 if one or more third parties conduct the repurchase offer and repurchase tendered Notes in a manner that would have satisfied the Company's obligations to do the same if conducted directly by the Company.

(f) Notwithstanding anything to the contrary in this Indenture, the Company shall not be required to send a Fundamental Change Company Notice, or offer to repurchase or repurchase any Notes pursuant to this Section 15.02, in connection with a Fundamental Change occurring pursuant to clause (b)(A) or (b)(B) (or pursuant to clause (a) that also constitutes a Fundamental Change pursuant to clause (b)(A) or (b)(B)) of the definition thereof, if:

(i) such Fundamental Change constitutes a Merger Event whose Reference Property consists entirely of cash in U.S. dollars;

(ii) immediately after such Fundamental Change, the Notes become convertible (pursuant to the provisions described in Section 14.07 and, if applicable, Section 14.03) into consideration that consists solely of U.S. dollars in an amount per US$1,000 principal amount of Notes that equals or exceeds the Fundamental Change Repurchase Price per US$1,000 principal amount of Notes (calculated assuming that such Fundamental Change Repurchase Price includes accrued and unpaid Additional Interest, if any, to, but excluding, the latest possible Fundamental Change Repurchase Date for such Fundamental Change); and

(iii) the Company timely sends the notice relating to such Fundamental Change pursuant to Section 14.07.

Any Fundamental Change with respect to which, in accordance with the provisions described in this Section 15.02(f), the Company is not required to offer to repurchase any Notes is referred to as herein as an "**Exempted Fundamental Change**."

(g) If a Fundamental Change described in clause (d) of the definition thereof has occurred and the Common Shares, other common equity underlying the Notes or the Reference Property have been accepted for listing on a Permitted Exchange (such shares, other common equity or the Reference Property, the "**Newly Listed Equity**"), then, from and after the later to occur of (x) the date of such acceptance for listing on a Permitted Exchange or (y) the effective date of such Fundamental Change (the "**New Listing Reference Date**"), Section 14.07 will be deemed to apply *mutatis mutandis* as if the Reference Property for the Notes were the Newly Listed Equity. No later than five (5) Business Days after the New Listing Reference Date, the Company will execute with the Trustee a supplemental indenture to the relevant indenture containing such provisions that the Board of Directors determines in good faith are appropriate to preserve the economic interests of the Holders and are necessary to reflect the replacement of the Common Shares (or other common equity or Reference Property then underlying the Notes) with the Newly Listed Equity. The Company will notify Holders and the Conversion agent (if other than the Trustee) in writing as promptly as reasonably practicable following the date the Company executes such supplemental indenture and will substantially concurrently with such notice either post such supplemental indenture on the Company's website or disclose the same in a current report on Form 6-K (or any successor form) that is filed with the Commission.

Section 15.03 *Withdrawal of Fundamental Change Repurchase Notice*. (a) A Fundamental Change Repurchase Notice may be withdrawn (in whole or in part) by means of a duly completed written notice of withdrawal delivered to the Corporate Trust Office of the Paying Agent and the Trustee in accordance with this Section 15.03 at any time prior to the close of business on the third Business Day immediately preceding the Fundamental Change Repurchase Date, specifying:

(i) the principal amount of the Notes with respect to which such notice of withdrawal is being submitted, which must be $1,000 or an integral multiple thereof,

(ii) in the case of Physical Notes, the certificate number of the Note in respect of which such notice of withdrawal is being submitted, and

(iii) the principal amount, if any, of such Note that remains subject to the original Fundamental Change Repurchase Notice, which portion must be in principal amounts of $1,000 or an integral multiple of $1,000; *provided*, *however*, that if the Notes are Global Notes, the notice must comply with appropriate procedures of the Depositary.

Section 15.04 *Deposit of Fundamental Change Repurchase Price.* (a) The Company will deposit with the Trustee (or other Paying Agent appointed by the Company, or if the Company is acting as its own Paying Agent, set aside, segregate and hold in trust as provided in Section 4.04) on or prior to 11:00 a.m., New York City time, on the Business Day immediately

prior to the Fundamental Change Repurchase Date an amount of money sufficient to repurchase all of the Notes to be repurchased at the appropriate Fundamental Change Repurchase Price. Subject to receipt of funds and/or Notes by the Trustee (or other Paying Agent appointed by the Company), payment for Notes surrendered for repurchase (and not withdrawn prior to the close of business on the third Business Day immediately preceding the Fundamental Change Repurchase Date) will be made on the later of (i) the Fundamental Change Repurchase Date (*provided* the Holder has satisfied the conditions in Section 15.02) and (ii) the time of book-entry transfer or the delivery of such Note to the Trustee (or other Paying Agent appointed by the Company) by the Holder thereof in the manner required by Section 15.02 by mailing checks for the amount payable to the Holders of such Notes entitled thereto as they shall appear in the Note Register; *provided*, *however*, that payments to the Depositary shall be made by wire transfer of immediately available funds to the account of the Depositary or its nominee. The Trustee shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Fundamental Change Repurchase Price.

(b) If by 11:00 a.m. New York City time, on the Fundamental Change Repurchase Date, the Trustee (or other Paying Agent appointed by the Company) holds money sufficient to make payment on all the Notes or portions thereof that are to be repurchased on such Fundamental Change Repurchase Date, then, with respect to the Notes that have been properly surrendered for repurchase and have not been validly withdrawn, (i) such Notes will cease to be outstanding, (ii) interest will cease to accrue on such Notes (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or Paying Agent) and (iii) all other rights of the Holders of such Notes will terminate (other than the right to receive the Fundamental Change Repurchase Price upon delivery or transfer of the Notes and, if applicable, accrued and unpaid interest).

(c) Upon surrender of a Note that is to be repurchased in part pursuant to Section 15.02, the Company shall execute and the Trustee shall authenticate and deliver to the Holder a new Note in an authorized denomination equal in principal amount to the unrepurchased portion of the Note surrendered.

Section 15.05 *Covenant to Comply with Applicable Laws Upon Repurchase of Notes*. In connection with any repurchase offer, the Company will, if required:

(a) comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act that may be applicable;

(b) file a Schedule TO or any other required schedule under the Exchange Act; and

(c) otherwise comply with all federal and state securities laws in connection with any offer by the Company to repurchase the Notes;

in each case, so as to permit the rights and obligations under this Article 15 to be exercised in the time and in the manner specified in this Article 15. To the extent that the provisions of any applicable securities laws or regulations adopted subsequent to January 7, 2026 conflict with the provisions of this Indenture relating to the Company's obligations to purchase the Notes upon a Fundamental Change, the Company will comply with the applicable securities laws and

regulations and will not be deemed to have breached its obligations under such provisions of this Indenture by virtue of such conflict.

ARTICLE 16
OPTIONAL REDEMPTION

Section 16.01 *Optional Redemption*. No sinking fund is provided for the Notes. The Notes shall not be redeemable by the Company prior to January 22, 2029, except pursuant to Section 17.01. On or after January 22, 2029, the Company may redeem (an "**Optional Redemption**") for cash all or part of the Notes, at its option, at the Redemption Price, if the Last Reported Sale Price of the Common Shares has been at least 130% of the Conversion Price then in effect for at least 20 Trading Days (whether or not consecutive) during any 30 consecutive Trading Day period (including the last Trading Day of such period) ending on, and including, the Trading Day immediately preceding the date on which the Company provides the Optional Redemption Notice in accordance with Section 16.02.

Section 16.02 *Notice of Optional Redemption; Selection of Notes*. (a) In case the Company exercises its right to redeem all or any part of the Notes pursuant to Section 16.01, it shall fix a date for redemption (each, an "**Optional Redemption Date**") and it shall mail or cause to be delivered a written notice of such Optional Redemption (an "**Optional Redemption Notice**") not less than 14 nor more than 60 calendar days prior to the Optional Redemption Date to each Holder of Notes so to be redeemed as a whole or in part at its last address as the same appears on the Note Register; *provided* that the Company shall also give such written notice of the Optional Redemption Date to the Trustee, the Conversion Agent and the Paying Agent. The Optional Redemption Date must be a Business Day. For the avoidance of doubt, if the Optional Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, interest accrued to the Interest Payment Date will be paid to Holders of record of the Notes on such Regular Record Date.

(b) The Optional Redemption Notice, if delivered in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, failure to give such Optional Redemption Notice in the manner herein provided or any defect in the Optional Redemption Notice to the Holder of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Note.

(c) Each Optional Redemption Notice shall specify:

(i) the Optional Redemption Date;

(ii) the Redemption Price;

(iii) that on the Optional Redemption Date, the Redemption Price will become due and payable upon each Note to be redeemed, and that interest thereon, if any, shall cease to accrue on and after the Optional Redemption Date;

(iv) the place or places where such Notes are to be surrendered for payment of the Redemption Price;

(v) that Holders may surrender their Notes for conversion at any time prior to the close of business on the third Business Day immediately preceding the Optional Redemption Date;

(vi) the procedures a converting Holder must follow to convert its Notes;

(vii) the Conversion Rate;

(viii) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes; and

(ix) in case any Note is to be redeemed in part only, the portion of the principal amount thereof to be redeemed and on and after the Optional Redemption Date, upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion thereof shall be issued.

An Optional Redemption Notice shall be irrevocable.

(d) If fewer than all of the outstanding Notes are to be redeemed, the Notes called for redemption (in principal amounts of $1,000 or multiples thereof) shall be selected by lot, on a *pro rata* basis or by another method the Trustee shall deem to be fair and appropriate in its sole and absolute discretion or as otherwise required by applicable law. In the case of a Global Note, the beneficial interests therein to be redeemed shall be selected in accordance with applicable procedures of the Depositary. If any Note selected for partial redemption is submitted for conversion in part after such selection, the portion of the Note submitted for conversion shall be deemed (so far as may be possible) to be the portion selected for redemption. In the case of an Optional Redemption, a Holder may convert its Notes at any time until the close of business on the third Business Day immediately preceding the Optional Redemption Date.

Section 16.03 *Payment of Notes Called for Optional Redemption*. (a) If any Optional Redemption Notice has been given in respect of the Notes in accordance with Section 16.02, the Notes shall become due and payable on the Optional Redemption Date at the place or places stated in the Optional Redemption Notice and at the applicable Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Optional Redemption Notice, the Notes shall be paid and redeemed by the Company at the applicable Redemption Price.

(b) Prior to the open of business on the Business Day immediately prior to the Optional Redemption Date, the Company shall deposit with the Paying Agent or, if the Company or a Subsidiary of the Company is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 7.07 an amount of cash (in immediately available funds if deposited on the Optional Redemption Date), sufficient to pay the Redemption Price of all of the Notes to be redeemed on such Optional Redemption Date. Subject to receipt of funds by the Paying Agent, payment for the Notes to be redeemed shall be made on the Optional Redemption Date for such Notes. The Paying Agent shall, promptly after such payment and upon written demand by the Company, return to the Company any funds in excess of the Redemption Price.

Section 16.04 *Restrictions on Optional Redemption*. The Company may not redeem any Notes on any date if the principal amount of the Notes has been accelerated in accordance with the terms of this Indenture, and such acceleration has not been rescinded, on or prior to the Optional Redemption Date (except in the case of an acceleration resulting from a Default by the Company in the payment of the Redemption Price with respect to such Notes).

ARTICLE 17
REDEMPTION FOR TAXATION REASONS

Section 17.01 *Redemption for Taxation Reasons*.

The Notes may be redeemed, for cash, at the Company's option or at the option of any Successor Company, as a whole but not in part (a "**Tax Redemption**"), at the Redemption Price if, as a result of:

(a) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(b) any change in, or amendment to, the interpretation, administration, practice, enforcement or application of such laws, treaties, rules or regulations, in each case having the force of law, by any legislative body, court, governmental agency, taxing authority or regulatory or administrative authority (including the enactment of any legislation and the announcement or publication of any judicial decision or official regulatory or administrative interpretation or determination),

which change or amendment becomes effective or, in the case of a change in the interpretation, administration, practice, enforcement or application of such laws or treaties, is announced (i) with respect the Company, on or after the date hereof, or (ii) with respect to any Successor Company, on or after the date such successor becomes a Successor Company, with respect to any payment due or to become due under the Notes or this Indenture, the Company or any Successor Company is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures (provided that changing the jurisdiction of the Company or any Successor Company is not a reasonable measure for purpose of this Section) by the Company or any Successor Company.

Notwithstanding anything to the contrary in this Article 17, neither the Company nor any Successor Company may redeem any of the Notes in the case that Additional Amounts are payable in respect of People's Republic of China withholding tax at the Applicable PRC Rate or less solely as a result of the Company or its Successor Company being considered a People's Republic of China tax resident.

Section 17.02 *Notice of Tax Redemption*.

(a) In case the Company exercises its Tax Redemption right pursuant to Section 17.01, it shall fix a date for redemption (the "**Tax Redemption Date**") and it shall mail or cause to be mailed a written notice of such Tax Redemption (a "**Tax Redemption Notice**") not less than 14 nor more than 60 calendar days prior to the Tax Redemption Date to each Holder of

Notes so to be redeemed at its last address as the same appears on the Note Register; *provided* that the Company shall also give such written notice of the Tax Redemption Date to the Trustee and the Paying Agent; *provided further* that no such Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company or any Successor Company would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due. The Tax Redemption Date must be a Business Day. For the avoidance of doubt, if the Tax Redemption Date falls after a Regular Record Date but on or prior to the immediately succeeding Interest Payment Date, interest accrued to the Interest Payment Date will be paid to Holders of record of the Notes on such Regular Record Date.

(b) Prior to the delivery of any Tax Redemption Notice, the Company shall deliver to the Trustee (i) a certificate signed by two of the Company's Officers stating that the requirement to pay Additional Amounts as provided in Section 17.01 cannot be avoided by the taking of reasonable measures by the Company or any Successor Company and (ii) an opinion of independent legal or tax advisors of recognized standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall accept and conclusively rely upon such certificate and opinion (without further investigation or enquiry) and it shall be conclusive and binding on the Holders, and the Trustee shall be protected and shall have no liability to any Holder or any person for so accepting and relying on such certificate or opinion.

(c) The Tax Redemption Notice, if mailed in the manner herein provided, shall be conclusively presumed to have been given duly, whether or not the Holder receives such notice. In any case, failure to give such Tax Redemption Notice by mail or any defect in the Tax Redemption Notice to the Holder of any Note designated for redemption shall not affect the validity of the proceedings for the redemption of any other Note.

(d) Each Tax Redemption Notice shall specify:

(i) the Tax Redemption Date;

(ii) the Redemption Price;

(iii) the place or places where such Notes are to be surrendered for payment of the Redemption Price;

(iv) that on the Tax Redemption Date, the Redemption Price will become due and payable upon each Note to be redeemed, and that the interest thereon, if any, shall cease to accrue on and after the Tax Redemption Date;

(v) that Holders may surrender their Notes for conversion at any time prior to the close of business on the third Business Day immediately preceding the Tax Redemption Date;

(vi) the procedures a converting Holder must follow to convert its Notes;

(vii) that Holders have the right to elect not to have their Notes redeemed by delivery to the Trustee written notice to that effect not later than the 15th calendar day prior to the Tax Redemption Date;

(viii) that Holders who wish to elect not to have their Notes redeemed must satisfy the requirements set forth herein and in the Indenture;

(ix) that, at and after the Tax Redemption Date, Holders who elect not to have their Notes redeemed will not receive any Additional Amounts on any payments with respect to such Notes solely as a result of the change or amendment in the tax laws of the Relevant Taxing Jurisdiction that caused such Additional Amounts to be paid (whether upon repurchase, maturity or otherwise, and whether in cash, Common Shares or otherwise), and all future payments with respect to the Notes will be subject to the deduction or withholding of such Relevant Taxing Jurisdiction taxes required by law to be deducted or withheld as a result of such change or amendment;

(x) the Conversion Rate and, if applicable, the number of Common Shares added to the Conversion Rate in accordance with Section 14.03; and

(xi) the CUSIP, ISIN or other similar numbers, if any, assigned to such Notes.

A Tax Redemption Notice shall be irrevocable. In the case of a Tax Redemption, a Holder may convert its Notes at any time until the close of business on the third Business Day preceding the Tax Redemption Date.

Section 17.03 *Payment of Notes Called for Tax Redemption.*

(a) If any Tax Redemption Notice has been given in respect of the Notes in accordance with Section 17.02, the Notes shall become due and payable on the Tax Redemption Date at the place or places stated in the Tax Redemption Notice and at the applicable Redemption Price. On presentation and surrender of the Notes at the place or places stated in the Tax Redemption Notice, the Notes shall be paid and redeemed by the Company and the applicable Redemption Price.

(b) Prior to the open of business on the Business Day immediately prior to the Tax Redemption Date, the Company shall deposit with the Paying Agent or, if the Company or a Subsidiary of the Company is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 7.07 an amount of cash (in immediately available funds if deposited on the Tax Redemption Date), sufficient to pay the Redemption Price of all of the Notes to be redeemed on such Tax Redemption Date. Subject to receipt of funds by the Paying Agent, payment for the Notes to be redeemed shall be made on the Tax Redemption Date for such Notes.

The Trustee (or other Paying Agent appointed by the Company) shall, promptly after such payment and upon written demand by the Company, return to Company any funds in excess of the Redemption Price.

Section 17.04 *Holders' Right to Avoid Redemption*. Notwithstanding anything to the contrary in this Article 17, if the Company or any Successor Company has given a Tax

Redemption Notice as described in Section 17.02, each Holder of Notes will have the right to elect that such Holder's Notes will not be subject to Tax Redemption. If a Holder elects not to be subject to a Tax Redemption, the Company or any Successor Company will not be required to pay Additional Amounts with respect to payments made in respect of such Holder's Notes following the Tax Redemption Date, and all subsequent payments in respect of such Holder's Notes will be subject to any tax required to be withheld or deducted under the laws of a Relevant Taxing Jurisdiction, in each case, as a result of the change or amendment in the tax laws of the Relevant Taxing Jurisdiction that caused such Additional Amounts to be paid. The obligation to pay Additional Amounts to any electing Holder for periods up to the Tax Redemption Date shall remain subject to the exceptions set forth under Section 4.07. Holders must exercise their option to elect to avoid a Tax Redemption by written notice to the Trustee no later than the 15th calendar day prior to the Tax Redemption Date.

Section 17.05 *Restrictions on Tax Redemption*. The Company may not redeem any Notes on any date if the principal amount of the Notes has been accelerated in accordance with the terms of this Indenture, and such acceleration has not been rescinded, on or prior to the Tax Redemption Date (except in the case of an acceleration resulting from a Default by the Company in the payment of the Redemption Price with respect to such Notes).

ARTICLE 18
MISCELLANEOUS PROVISIONS

Section 18.01 *Provisions Binding on Company's Successors.* All the covenants, stipulations, promises and agreements of the Company contained in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 18.02 *Official Acts by Successor Corporation.* Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or Officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation or other entity that shall at the time be the lawful sole successor of the Company.

Section 18.03 *Addresses for Notices, Etc.* Any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders on the Company shall be deemed to have been sufficiently given or made, for all purposes if it is in writing, in the English language, given or served by electronic mail, or by being deposited postage prepaid by registered or certified mail in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Canadian Solar Inc., 4273 King Street East, Suite 102, Kitchener, Ontario, N2P 2E9, Canada, Attention: Chief Financial Officer, email: xinbo.zhu@canadiansolar.com. Any notice, direction, request or demand hereunder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or served by being deposited postage prepaid by registered or certified mail in a post office letter box addressed to 240 Greenwich Street, New York, NY 10286, USA; Attention: Global Corporate Trust - Canadian Solar Inc., e-mail: honctrmta@bnymellon.com, with a copy to The Bank of New York Mellon, Hong Kong Branch, Level 26, Three Pacific Place, 1 Queen's Road East, Hong Kong; email: honctrmta@bny.com; Attention: Corporate Trust - Canadian Solar Inc.

The Trustee or the Agents, by notice to the Company, may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Holder shall be mailed to it by mail at its address as it appears on the Note Register or, in the case of a Global Note, transmitted in accordance with the Depositary's applicable procedures, and shall be sufficiently given to it if so mailed or so transmitted within the time prescribed. Notwithstanding any provision to the contrary herein, in any instance where notice is required to be mailed to Holders, in the case of a Global Note, such notice shall instead be delivered to the Depositary in accordance with its applicable procedures.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

The Trustee and the Agents shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Indenture and delivered using Electronic Means; *provided, however*, that the Company shall provide to the Trustee and the Agents an Authorization Certificate listing the authorized officers and containing specimen signatures of such authorized officers, which Authorization Certificate shall be amended by the Company whenever a person is to be added or deleted from the list. If the Company elects to give the Trustee and the Agents Instructions using Electronic Means and the Trustee and the Agents in their discretion elect to act upon such Instructions, the Trustee's and the Agents' understanding of such Instructions shall be deemed controlling. The Company understands and agrees that the Trustee and the Agents cannot determine and shall have no duty or obligation to verify the identity of the actual sender of such Instructions and that the Trustee and the Agents shall conclusively presume that directions that purport to have been sent by an authorized officer listed on the Authorization Certificate provided to the Trustee and the Agents have been sent by such authorized officer. The Company shall be responsible for ensuring that only authorized officers transmit such Instructions to the Trustee and the Agents and that the Company and all authorized officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. The Trustee and the Agents shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's and the Agents' reliance upon and compliance with such Instructions notwithstanding such Instructions' conflict or inconsistency with a subsequent written instruction. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee and the Agents, including without limitation the risk of the Trustee and the Agents acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and the Agents and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (iii) that the security procedures (if

any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee and the Agents immediately upon learning of any compromise or unauthorized use of the security procedures.

The Company shall use all reasonable endeavors to ensure that any such notices, instructions, directions or other communications transmitted to the Trustee and the Agents using Electronic Means pursuant to this Indenture are complete and correct. Any such notices, instructions, directions or other communications shall be conclusively deemed to be valid instructions from the Company to the Trustee and the Agents for the purposes of this Indenture.

Section 18.04 *[Reserved]*.

Section 18.05 *Governing Law; Jurisdiction.* THIS INDENTURE AND EACH NOTE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE AND EACH NOTE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Each of the parties hereto and each Holder (by its acceptance of any Note) hereby submits to the non-exclusive jurisdiction of the federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Indenture or the Notes or any transaction contemplated hereby or thereby. The Company, the Trustee and each Holder (by its acceptance of any Note) irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Indenture brought in the courts of the State of New York or the courts of the United States located in the Borough of Manhattan, New York City, New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 18.06 *Submission to Jurisdiction; Service of Process.* The Company irrevocably appoints Corporation Service Company as its authorized agent in the Borough of Manhattan in the City of New York upon which process may be served in any such suit or proceeding, and agrees that service of process upon such agent, and written notice of said service to the Company by the person serving the same to Corporation Service Company at 19 West 44th Street, Suite 200, New York, NY 10036, shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of five and a half years from the date of this Indenture. If for any reason such agent shall cease to be such agent for service of process, the Company shall forthwith appoint a new agent of recognized standing for service of process in the State of New York and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days of such acceptance. Nothing herein shall affect the right of the Trustee, any agent or any Holder to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Company in any other court of competent jurisdiction.

Section 18.07 *Evidence Of Compliance With Conditions Precedent; Certificates And Opinions Of Counsel To Trustee.* Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall, if requested by the Trustee, furnish to the Trustee an Officer's Certificate and/or Opinion of Counsel stating that such action is permitted by the terms of this Indenture.

Each Officer's Certificate or Opinion of Counsel provided for, by or on behalf of the Company in this Indenture and delivered to the Trustee with respect to compliance with this Indenture (other than the Officer's Certificates provided for in Section 4.09) shall include (a) a statement that the person signing such certificate is familiar with the requested action and the covenants and conditions in this Indenture, including definitions; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statement contained in such certificate is based; (c) a statement that, in the judgment of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed judgment as to whether or not such action is permitted by this Indenture and all conditions precedent have been satisfied; and (d) a statement as to whether or not, in the judgment of such person, such action is permitted by this Indenture and all conditions precedent have been satisfied.

Notwithstanding anything to the contrary in this Section 18.07, if any provision in this Indenture specifically provides that the Trustee shall or may receive an Opinion of Counsel in connection with any action to be taken by the Trustee or the Company hereunder, the Trustee shall be entitled to, or entitled to request, such Opinion of Counsel.

Section 18.08 *Legal Holidays.* In any case where any Interest Payment Date, Fundamental Change Repurchase Date, Optional Redemption Date, Tax Redemption Date, Conversion Date or Maturity Date is not a Business Day, then any action to be taken on such date need not be taken on such date, but may be taken on the next succeeding Business Day with the same force and effect as if taken on such date, and no interest shall accrue or other amounts shall be payable in respect of the delay.

Section 18.09 *No Security Interest Created.* Nothing in this Indenture or in the Notes, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or similar legislation, as now or hereafter enacted and in effect, in any jurisdiction.

Section 18.10 *Benefits of Indenture.* Nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the Holders (and to the extent specified in the last sentence of Section 8.03, beneficial owners of the Notes), the parties hereto, any Paying Agent, any Conversion Agent, any authenticating agent, any Note Registrar and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 18.11 *Table of Contents, Headings, Etc.* The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 18.12 *Authenticating Agent.* The Trustee at the sole expense of the Company may appoint an authenticating agent that shall be authorized to act on its behalf and subject to its direction in the authentication and delivery of Notes in connection with the original issuance thereof and transfers and exchanges of Notes hereunder, as fully to all intents and purposes as though the authenticating agent had been expressly authorized by this Indenture to authenticate and deliver Notes. For all purposes of this Indenture, the authentication and delivery of Notes by the authenticating agent shall be deemed to be authentication and delivery of such Notes "by the Trustee" and a certificate of authentication executed on behalf of the Trustee by an authenticating agent shall be deemed to satisfy any requirement hereunder or in the Notes for the Trustee's certificate of authentication. Such authenticating agent shall at all times be a Person eligible to serve as trustee hereunder pursuant to Section 7.11.

Any corporation or other entity into which any authenticating agent may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, consolidation or conversion to which any authenticating agent shall be a party, or any corporation or other entity succeeding to the corporate trust business of any authenticating agent, shall be the successor of the authenticating agent hereunder, if such successor corporation or other entity is otherwise eligible under this Section 18.12, without the execution or filing of any paper or any further act on the part of the parties hereto or the authenticating agent or such successor corporation or other entity.

Any authenticating agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any authenticating agent by giving written notice of termination to such authenticating agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any authenticating agent shall cease to be eligible under this Section, the Trustee may appoint a successor authenticating agent (which may be the Trustee), shall give written notice of such appointment to the Company and shall mail notice of such appointment to all Holders as the names and addresses of such Holders appear on the Note Register.

The Company agrees to pay to the authenticating agent from time to time reasonable compensation for its services although the Company may terminate the authenticating agent, if it determines such agent's fees to be unreasonable.

The provisions of Section 7.02, Section 7.03, Section 8.03 and this Section 18.12 shall be applicable to any authenticating agent.

If an authenticating agent is appointed pursuant to this Section 18.12, the Notes may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

_____,

as Authenticating Agent, certifies that this is one of the Notes described in the within-named Indenture.

By: _____
Authorized Officer

Section 18.13 *Execution in Counterparts.* This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by email transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by email shall be deemed to be their original signatures for all purposes.

1

Section 18.14 *Severability.* In the event any provision of this Indenture or in the Notes shall be invalid, illegal or unenforceable, then (to the extent permitted by law) the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 18.15 *Waiver of Jury Trial.* EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, AND THE HOLDERS BY ACCEPTING THE NOTES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED BY THIS INDENTURE OR THE NOTES.

Section 18.16 *Force Majeure.* In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 18.17 *Calculations*. Except as otherwise expressly provided herein, the Company shall be responsible for making all calculations called for under this Indenture and the Notes. These calculations include, but are not limited to, determinations of the Last Reported Sale Prices of the Common Shares, accrued interest payable on the Notes, the number of Additional Shares to be added to the Conversion Rate for conversions in connection with a Make-Whole Fundamental Change, an Optional Redemption or a Tax Redemption (if any) and the Conversion Rate of the Notes. The Company shall make all these calculations in good faith and, absent manifest error, the Company's calculations shall be final and binding on Holders of Notes, the Trustee, the Paying Agent and the Conversion Agent. The Company shall provide a schedule of its calculations to each of the Trustee, the Paying Agent and the Conversion Agent, and each of the Trustee, the Paying Agent and the Conversion Agent is entitled to rely conclusively upon the accuracy of the Company's calculations without independent verification. The Trustee will forward the Company's calculations to any Holder of Notes upon the prior written request and satisfactory proof of holding of that Holder at the sole cost and expense of the Company.

Section 18.18 *USA PATRIOT Act.* The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee, like all financial institutions and in

order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

Section 18.19 *Currency Indemnity.* U.S. dollars are the sole currency of account and payment for all sums payable by the Company under or in connection with the Notes or this Indenture, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or through the enforcement of, a judgment or order of a court of any jurisdiction, in the Company's winding-up or dissolution or otherwise) by any Holder of a Note or the Trustee in respect of any sum expressed to be due to it from the Company will only constitute a discharge to the Company to the extent of the U.S. dollar amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so.) If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note or this Indenture, the Company will indemnify such Holder and/or the Trustee against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such Holder or the Trustee, such Holder or the Trustee will, by accepting a Note, be deemed to have agreed to repay such excess. In any event, the Company will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the Holder of a Note or the Trustee to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the Company's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any Holder of a Note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

Section 18.20 *Sanctions.* The Company covenants and represents that:

(a) neither it nor any of its Affiliates, Subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US government, (including the Office of Foreign Assets Control of the U.S. Department of the Treasury), the United Nations Security Council, the European Union or HM Treasury (collectively "**Sanctions**"); and

(b) neither it nor any of its Affiliates, or Subsidiaries, will knowingly use any payments made pursuant to this Indenture, (i) to fund or facilitate any prohibited activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any prohibited activities of or business with any country or

territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions applicable to the Company.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

CANADIAN SOLAR INC.

By: _____
Name: Shawn (Xiaohua) Qu
Title: Chairman and Chief Executive Officer

[Signature Page - Indenture]

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Name:
Title:

[Signature Page - Indenture]

EXHIBIT A

[FORM OF FACE OF NOTE]

[INCLUDE FOLLOWING LEGEND IF A GLOBAL NOTE]

[THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS THE OWNER AND HOLDER OF THIS NOTE FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREUNDER IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

[INCLUDE FOLLOWING LEGEND IF A RESTRICTED SECURITY]

[THIS SECURITY AND THE COMMON SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ARE

"RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT OR CONTRACTUALLY RESTRICTED SECURITIES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT AND THAT IT AND ANY SUCH ACCOUNT IS NOT, AND HAS NOT BEEN FOR THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF CANADIAN SOLAR INC. ("**THE COMPANY**"), AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY, THE COMMON SHARES DELIVERABLE UPON CONVERSION OF THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN OR THEREIN PRIOR TO THE DATE THAT IS THE LATER OF (X) ONE YEAR AFTER THE ISSUE DATE OR SUCH SHORTER PERIOD OF

TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THERETO AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW, EXCEPT:

(A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, OR

(B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, OR

(C) TO A PERSON REASONABLY BELIEVED TO BE A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, OR

(D) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE).

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSE (2)(D) ABOVE, THE COMPANY AND THE TRANSFER AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

NO AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN AN AFFILIATE (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT) OF THE COMPANY DURING THE THREE IMMEDIATELY PRECEDING MONTHS MAY PURCHASE, OTHERWISE ACQUIRE OR OWN THIS NOTE, THE COMMON SHARES DELIVERABLE UPON CONVERSION HEREOF, OR A BENEFICIAL INTEREST HEREIN OR THEREIN.]

CANADIAN SOLAR INC.

3.25% Convertible Senior Note due 2031

No. [____] [Initially][1] $[ ]
CUSIP No. [ ]

CANADIAN SOLAR INC., a Business Corporations Act (Ontario) corporation (the "**Company**," which term includes any successor corporation or other entity under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to [CEDE & CO.][2] [_____][3], or registered assigns, the principal sum [as set forth in the "Schedule of Exchanges of Notes" attached hereto][4] [of $[_____]][5], which amount, taken together with the principal amounts of all other outstanding Notes, shall not, unless permitted by the Indenture, exceed $230,000,000 in the aggregate at any time [, in accordance with the rules and procedures of the Depositary,][6] on January 15, 2031, and interest thereon as set forth below.

This Note shall bear interest at the rate of 3.25% per year from January 13, 2026, or from the most recent date to which interest had been paid or provided for to, but excluding, the next scheduled Interest Payment Date until January 15, 2031. Interest is payable semi-annually in arrears on each January 15 and July 15, commencing on July 15, 2026, to Holders of record at the close of business on the preceding January 1 and July 1 (whether or not such day is a Business Day), respectively. Additional Interest will be payable as set forth in the within mentioned Indenture, and any reference to interest on, or in respect of, any Note therein shall be deemed to include Additional Interest if, in such context, Additional Interest is, was or would be payable pursuant to any provision of the Indenture, and any express mention of the payment of Additional Interest in any provision therein shall not be construed as excluding Additional Interest in those provisions thereof where such express mention is not made.

Any Defaulted Amounts shall accrue interest per annum at the rate borne by the Notes *plus* 0.50%, subject to the enforceability thereof under applicable law, from, and including, the relevant payment date to, but excluding, the date on which such Defaulted Amounts shall have been paid by the Company, at its election, in accordance with the Indenture. Such interest, if any, is referred to as "**Default Interest**."

The Company shall pay or cause the Paying Agent to pay the principal of and interest on this Note, if and so long as such Note is a Global Note, in immediately available funds to the

1 Include if a global note.

2 Include if a global note.

3 Include if a physical note.

4 Include if a global note.

5 Include if a physical note.

6 Include if a global note.

Depositary or its nominee, as the case may be, as the registered Holder of such Note. As provided in and subject to the provisions of the Indenture, the Company shall pay the principal of any Notes (other than Notes that are Global Notes) at the office or agency designated by the Company for that purpose. The Company has initially designated The Bank of New York Mellon as its Paying Agent, Transfer Agent and Note Registrar in respect of the Notes and its agency in the Borough of Manhattan, The City of New York, as a place where Notes may be presented for payment or for registration of transfer and exchange.

Reference is made to the further provisions of this Note set forth on the reverse hereof, including, without limitation, provisions giving the Holder of this Note the right to convert this Note into Common Shares on the terms and subject to the limitations set forth in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note, and any claim, controversy or dispute arising under or related to this Note, shall be construed in accordance with and governed by the laws of the State of New York.

In the case of any conflict between this Note and the Indenture, the provisions of the Indenture shall control and govern.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed manually or by facsimile by the Trustee or a duly authorized authenticating agent under the Indenture.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

CANADIAN SOLAR INC.

By: _____
Name:
Title:

[Signature Page - Global Note]

Dated:
CERTIFICATE OF AUTHENTICATION
THE BANK OF NEW YORK MELLON
as Trustee, certifies that this is one of the Notes
described
in the within-named Indenture.

By: _____
Name:
Title:

[Signature Page - Global Note]

[FORM OF REVERSE OF NOTE]

CANADIAN SOLAR INC.
3.25% Convertible Senior Note due 2031

This Note is one of a duly authorized issue of Notes of the Company, designated as its **3.25**% Convertible Senior Notes due 2031 (the "**Notes**"), limited to the aggregate principal amount of $230,000,000, subject to Section 2.10 of the Indenture, all issued or to be issued under and pursuant to an Indenture dated as of January 13, 2026 (the "**Indenture**"), between the Company and The Bank of New York Mellon (the "**Trustee**"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Notes. Additional Notes may be issued in an unlimited aggregate principal amount, subject to certain conditions specified in the Indenture. Capitalized terms used in this Note and not defined in this Note shall have the respective meanings set forth in the Indenture.

In case certain Events of Default shall have occurred and be continuing, the principal of, premium, if any, and accrued and unpaid interest on, all Notes may be declared, by either the Trustee (subject to receiving indemnity and/or security to its reasonable satisfaction) or Holders of at least 25% in aggregate principal amount of Notes then outstanding, and upon said declaration shall become, due and payable, in the manner, with the effect and subject to the conditions and certain exceptions set forth in the Indenture. In the case of certain Events of Default relating to bankruptcy, insolvency or similar events with respect to the Company or any Significant Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on, the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Holders or the Trustee.

Subject to the terms and conditions of the Indenture, the Company will make or cause the Paying Agent to make all payments and deliveries in respect of the Fundamental Change Repurchase Price on the Fundamental Change Repurchase Date to the Holder who surrenders a Note to a Paying Agent to collect such payments in respect of the Note. The Company will pay or cause the Paying Agent to pay cash amounts in money of the United States of America that at the time of payment is legal tender for payment of public and private debts.

The Indenture contains provisions permitting the Company and the Trustee in certain circumstances, without the consent of the Holders of the Notes, and in certain other circumstances, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures modifying the terms of the Indenture and the Notes as described therein. It is also provided in the Indenture that, subject to certain exceptions, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may, on behalf of the Holders of all of the Notes waive, subject to certain exemptions, any past Default or Event of Default under the Indenture and its consequences.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay

or cause to be delivered, as the case may be, the principal (including the Fundamental Change Repurchase Price or the Redemption Price, in each case, if applicable) of, accrued and unpaid interest on, and the consideration due upon conversion of, this Note at the place, at the respective times, at the rate and in the lawful money herein prescribed.

The Notes are issuable in registered form without coupons in denominations of $1,000 principal amount and integral multiples thereof. At the office or agency of the Company referred to on the face hereof, and in the manner and subject to the limitations provided in the Indenture, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations, without payment of any service charge but, if required by the Company or Trustee, with payment of a sum sufficient to cover any transfer or similar tax that may be imposed in connection therewith as a result of the name of the Holder of the new Notes issued upon such exchange of Notes being different from the name of the Holder of the old Notes surrendered for such exchange.

No sinking fund is provided for the Notes. Under certain circumstances specified in the Indenture, the Notes will be subject to redemption by the Company at the Redemption Price.

Upon the occurrence of a Fundamental Change, the Holder has the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Notes or any portion thereof (in principal amounts of $1,000 or integral multiples thereof) on the Fundamental Change Repurchase Date at a price equal to the Fundamental Change Repurchase Price.

Subject to the provisions of the Indenture, the Holder hereof has the right, at its option, prior to the close of business on the third Business Day immediately preceding the Maturity Date, to convert any Notes or portion thereof that is $1,000 or an integral multiple thereof, into Common Shares at the Conversion Rate specified in the Indenture, as adjusted from time to time as provided in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM = as tenants in common

UNIF GIFT MIN ACT = Uniform Gifts to Minors Act

CUST = Custodian

TEN ENT = as tenants by the entireties

JT TEN = joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

SCHEDULE A[7]

SCHEDULE OF EXCHANGES OF NOTES

CANADIAN SOLAR INC.
3.25% Convertible Senior Notes due 2031

The initial principal amount of this Global Note is ____UNITED STATES DOLLARS ($[_____]). The following increases or decreases in this Global Note have been made:

Date of exchange	Amount of decrease in principal amount of this Global Note	Amount of increase in principal amount of this Global Note	Principal amount of this Global Note following such decrease or increase

7 Include if a global note.

ATTACHMENT 1

[FORM OF NOTICE OF CONVERSION]

To: The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
Attention: Global Corporate Trust - Canadian Solar Inc.
Email: honctrmta@bny.com

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 26, Three Pacific Place
1 Queen's Road East
Hong Kong
Attention: Corporate Trust - Canadian Solar Inc.
Email: honctrmta@bny.com

The undersigned registered owner of this Note hereby exercises the option to convert this Note, or the portion hereof (that is $1,000 principal amount or an integral multiple thereof) below designated, into Common Shares in accordance with the terms of the Indenture referred to in this Note, and directs that any Common Shares issuable and deliverable upon such conversion, together with any cash for any fractional share, and any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. If any Common Shares or any portion of this Note not converted are to be issued in the name of a Person other than the undersigned, the undersigned will pay all documentary, stamp or similar issue or transfer taxes, if any in accordance with the Indenture. Any amount required to be paid to the undersigned on account of interest accompanies this Notice. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In connection with the conversion of this Note, or the portion hereof below designated, the undersigned acknowledges, represents to and agrees with the Company that the undersigned is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Company and has not been an "affiliate" (as defined in Rule 144 under the Securities Act) during the three months immediately preceding the date hereof.

[The undersigned further certifies:

1. The undersigned acknowledges (and if the undersigned is acting for the account of another person, that person has confirmed that it acknowledges) that the Restricted Securities received upon conversion of this Note (or securities represented thereby) have not been and are not expected to be registered under the Securities Act.

2. The undersigned is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) acting for its own account or for the account of one or more qualified institutional buyers and the undersigned is (or such account or accounts are) the sole beneficial owner(s) of the Common Shares to be received upon conversion of the Notes.

3. The undersigned acknowledges that the undersigned (and any such other account) may not continue to hold or retain any interest in Restricted Securities received upon conversion of this Note if the undersigned (or such other account) becomes an Affiliate of the Company.

4. The undersigned agrees (and if the undersigned is acting for the account of another person, that person has confirmed that it agrees) that, unless and until the undersigned (or such other account) is notified by the Depositary that the restrictive legend on such Restricted Security has been removed from such security, the undersigned (and such other account) will not offer, sell, pledge or otherwise transfer the Restricted Security (or securities represented by such Restricted Security) except in accordance with the restrictions set forth in that legend and any applicable securities laws of the United States and any state thereof.][8]

[The undersigned hereby instructs the Common Shares to be registered in the name of:

1. Name of Beneficial Owner to receive Common Shares (English): _____

2. Address of Beneficial Owner to receive Common Shares (English): _____

3. Name of Registered Holder of the Common Shares (English): _____

4. Number of Common Shares to be issued: _____

5. Beneficial Owner's Tax ID Number: _____

6. Contact Name and Tel No/email address: _____

]9

[The undersigned instructs the Common Shares to be delivered to the following account: Receiving Broker (* are mandatory fields):

a) DTC Broker Name*: _____

b) DTC Broker's Participant Account with DTC *: _____

c) DTC Broker Contact Name: _____

8 Include if a Restricted Security.

9 Include if a Restricted Security that is not DTC eligible.

d) DTC Broker Contact Tel No/email: _____

e) Beneficial Owner's Account # with DTC Broker*: _____

OR

e) Local Broker Name (have account with DTC Broker)*: _____

Local Broker Sub-Account # with DTC Broker*: _____

Local Broker Contact Name: _____

Local Broker Contact Tel No/email: _____

]10

Dated: _____ _____

Signature(s)

_____

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15 if Common Shares are to be issued, or Notes are to be delivered, other than to and in the name of the registered holder.

Fill in for registration of Common Shares if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

10 Include if DTC eligible.

(Name)

(Street Address)

(City, State and Zip Code) Please print name and address

Principal amount to be converted (if less than all):
US$ _____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer Identification Number

ATTACHMENT 2

[FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE]

To: The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286
Attention: Global Corporate Trust - Canadian Solar Inc.
Email: honctrmta@bny.com

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 26, Three Pacific Place
1 Queen's Road East
Hong Kong
Attention: Corporate Trust - Canadian Solar Inc.
Email: honctrmta@bny.com

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from Canadian Solar Inc. (the "**Company**") as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date and requests and instructs the Company to pay to the registered Holder hereof in accordance with the Indenture referred to in this Note (1) the entire principal amount of this Note, or the portion thereof (that is $1,000 principal amount or an integral multiple thereof) below designated, and (2) if such Fundamental Change Repurchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest, if any, thereon to, but excluding, such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case of Physical Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated: _____

_____
Signature(s)

_____
Social Security or Other Taxpayer
Identification Number

Principal amount to be repaid (if less than all):
$ ____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

ATTACHMENT 3

[FORM OF ASSIGNMENT AND TRANSFER]

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ (Please insert social security or Taxpayer Identification Number of assignee) the within Note, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

In connection with any transfer of the within Note occurring prior to the Resale Restriction Termination Date, as defined in the Indenture governing such Note, the undersigned confirms that such Note is being transferred:

☐ To Canadian Solar Inc. or a subsidiary thereof; or

☐ Pursuant to a registration statement that has become or been declared effective under the Securities Act of 1933, as amended

☐ To a transferee that the undersigned reasonably believes is a "qualified institutional buyer" (within the meaning of Rule 144A) that is purchasing for its own account or for the account of another qualified institutional buyer and the undersigned has provided such transferee notice that the transfer is being made in reliance on Rule 144A, all in compliance with Rule 144A; or

☐ Pursuant to and in compliance with Rule 144 under the Securities Act of 1933, as amended (if available).

Dated: _____

_____

Signature(s)

_____

Signature Guarantee

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and

Exchange Commission Rule 17Ad-15
if Notes are to be delivered, other than to and
in the name of the registered holder.

NOTICE: The signature on the assignment must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

EXHIBIT B

[FORM OF AUTHORIZATION CERTIFICATE]

I, [Name], [Title], acting on behalf of Canadian Solar Inc. (the "**Company**") and without personal liability (except for malfeasance), hereby certify that:

1. the persons listed in Schedule I hereto are (i) authorized Officers of the Company for purposes of the Indenture (the "**Indenture**") dated as of January 13, 2026 between the Company and The Bank of New York Mellon, as trustee, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite their names and (iii) the duly authorized persons who executed or will execute the Indenture and the Notes by their manual or facsimile signatures and were at the time of such execution, duly elected or appointed, qualified and acting as the holder of the offices set forth opposite their names;

2. each signature appearing next to the persons listed in Schedule I is the person's genuine signature; and

3. each of the individuals listed below have the authority to receive call backs at the telephone numbers noted below upon request of The Bank of New York Mellon in connection with the Notes issued pursuant to the Indenture:

Name	**Title**	**Telephone Number**

IN WITNESS WHEREOF, I have hereunto executed and delivered this certificate on behalf of the Company as of the date indicated.

Dated: _____

CANADIAN SOLAR INC.

By: _____
Name:
Title:

Schedule I

CANADIAN SOLAR INC.

Name	Title	Signature

EXHIBIT 8.1

LIST OF MAJOR SUBSIDIARIES

Name of entity	Place of incorporation	Ownership interest	
CS PowerTech Inc.	USA	91	%*
Mesquite Modules Corporation	USA	91	%*
Jeffersonville PVcells Corporation	USA	91	%*
CS Power Systems Inc.	USA	91	%*
Canadian Solar Energy Storage (USA) Inc.	USA	91	%*
Canadian Solar US Renewable Energy Corporation	USA	64	%**
Canadian Solar US Module Manufacturing Corporation	USA	64	%**
Canadian Solar US Cell Manufacturing Corporation	USA	64	%**
Canadian Solar SSES (US) Inc.	USA	64	%**
Canadian Solar (USA) Inc.	USA	64	%**
Recurrent Energy, LLC	USA	100	%***
Recurrent Energy B.V.	Netherlands	100	%***
Canadian Solar New Energy Holding Company Limited	Hong Kong	100	%***
Canadian Solar UY Holding LATAM	Uruguay	100	%
Canadian Solar Brasil I Fundo de Investimento em Participacoes – Multiestrategia	Brazil	100	%
Canadian Solar Solutions Inc.	Canada	100	%
CSI Solar Co., Ltd.	PRC	64	%
CSI Cells Co., Ltd.	PRC	64	%**
Canadian Solar Manufacturing (Luoyang) Inc.	PRC	64	%**
Canadian Solar Sunenergy (Baotou) Co., Ltd.	PRC	64	%**
CSI Solar Technology (Xining) Co., Ltd	PRC	64	%**
Canadian Solar Manufacturing (Changshu) Inc.	PRC	64	%**
Canadian Solar Sunenergy (Jiaxing) Co. Ltd	PRC	64	%**
Canadian Solar Sunenergy (SuQian) Co., Ltd.	PRC	64	%**
Canadian Solar International Limited	Hong Kong	64	%**
Canadian Solar Manufacturing (Thailand) Co., Ltd.	Thailand	64	%**

* As of December 31, 2025, none of CS PowerTech Inc., Mesquite Modules Corporation, Jeffersonville PVcells Corporation, CS Power Systems Inc., or Canadian Solar Energy Storage (USA) Inc., each of which is an operating entity formed in connection with our U.S. strategic initiative, met the definition of a "significant subsidiary" under Rule 1-02(w) of Regulation S-X.

** Significant subsidiaries (as defined in Rule 1-02(w) of Regulation S-X) held through CSI Solar Co., Ltd. in which CSI owned approximately 64% interest as of December 31, 2025.

*** BlackRock invested $500.0 million in the Series A preferred shares of Recurrent Energy B.V. which are subject to conversion rights into ordinary shares of Recurrent Energy B.V.

Exhibit 11.1

Amended and effective as of March 11, 2026

INSIDER TRADING POLICY

Policies and Procedures Governing Material Non-Public Information and the Prevention of Insider Trading (the "*Policy*") of Canadian Solar Inc. (together with its subsidiaries, the "*Company*")

Table of Contents

Heading	Page Number
INTRODUCTION	**2**
Persons Subject to this Policy	**2**
Compliance Officer	**3**
PROHIBITIONS	**3**
Insider Trading	**3**
Tipping	**4**
TRANSACTIONS UNDER COMPANY PLANS AND CERTAIN OTHER TRANSACTIONS	**4**
TRANSACTIONS BY FAMILY MEMBERS AND OTHERS	**5**
TRANSACTIONS BY ENTITIES THAT YOU INFLUENCE OR CONTROL	**5**
DEFINITIONS AND EXPLANATION OF INSIDER TRADING	**5**
Definitions	**5**
Trading	**5**
Insider trading	**5**
Purchase and sale	**5**
Security	**6**
What Facts are Material?	**6**
What is Non-Public?	**7**
Who is an Insider?	**8**
Trading by Persons Other than an Insider	**8**
Consequences of Violations	**8**
Examples of Insider Trading	**9**
Trading by Insider	**9**
Trading by Tippee	**9**
Prohibition of Records Falsifications and False Statements	**10**
PROCEDURES FOR PREVENTING INSIDER TRADING	**10**
Identifying Material, Non-Public Information	**10**
Information Relating to the Company	**11**
Access to Information	**11**
Inquiries from Third Parties	**11**
Limitations on Access to Company Information	**11**
Pre-Clearance of All Trades by All Directors, Officers and Key Employees	**12**

	Avoidance of Aggressive or Speculative Trading; Additional Prohibitions	**12**
	Rule 10b5—1 Plans	**13**
SECTION 16 FILINGS FOR DIRECTORS AND OFFICERS		**14**
	Edgar Filing Requirements	**14**
	Reporting Obligations	**14**
	Company Assistance	**14**
SIGNING AND RETURN OF CERTIFICATION OF COMPLIANCE		**15**
ATTACHMENT A		**16**

INTRODUCTION

This Policy provides guidelines with respect to transactions in the securities of the Company and the handling of confidential information about the Company and the companies with which the Company does business. This Policy aims to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information to other persons who may trade on the basis of that information. Regulators have adopted sophisticated surveillance techniques to identify insider trading transactions, and it is important to the Company to avoid even the appearance of impropriety. Insider trading occurs when a person purchases or sells a security while in possession of inside information relating to the security. As explained in "*Definitions and Explanation of Insider Trading*" below, inside information is information which is both material and non-public.

This Policy only addresses compliance with United States laws and the rules of the Nasdaq Stock Market relating to insider trading. Many other laws, including the laws of Canada and China, also deal with insider trading and may deal more generally with trading in the securities of the Company.

Persons Subject to This Policy

This Policy applies to all directors, officers and employees of the Company. The Compliance Officer may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to material nonpublic information. This Policy also applies to family members, other members of a person's household and entities controlled by a person covered by this Policy, as described below under "*Transactions by Family Members and Others*" and "*Transactions by Entities You Influence or Control*."

All persons subject to this Policy have a duty to cooperate in the operation of this Policy. Compliance with this Policy is a condition of continued employment for all officers and employees of the Company. Failure to comply may result in disciplinary action, up to and including termination of employment. Each individual is responsible for making sure that he or she complies with this Policy and that any family member, household member or entity whose transactions are subject to this Policy also complies with this Policy.

This Policy continues to apply to transactions in Company securities (collectively referred to in this Policy as "***Company Securities***") even after termination of service to the Company. If a person possesses material, non-public information when his or her service terminates, that person may not trade in Company Securities until the information has become public or is no longer material. The pre-clearance procedures described under "*Pre-Clearance of All Trades by All*

Directors, Officers and Key Employees" below, however, will cease to apply to transactions in Company Securities upon the expiration of any Prohibited Trading Period (or special blackout period, as described below) applicable when service terminates. In addition, it is the policy of the Company that no director, officer or other employee of the Company (or any other person designated as being subject to this Policy) who, in the course of working for the Company, comes into possession of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, or that is involved in a potential transaction or business relationship with the Company, may trade in that company's securities until the information becomes public or is no longer material.

Questions regarding this Policy should be directed to the Compliance Officer appointed by the board of directors (the "***Board***") of the Company.

Compliance Officer

Yu Chen, Vice President & Lead General Counsel, has been appointed by the Board as the Compliance Officer of the Company. Yu Chen may be reached at yu.chen@canadiansolar.com. Any person who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Compliance Officer.

The Company will notify you if the Board appoints a different Compliance Officer.

PROHIBITIONS

Insider Trading

No director, officer or employee of the Company or any other person designated by the Compliance Officer (such as contractors or consultants of the Company) shall trade any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is the Company or any other entity.

In addition, except as otherwise specified in this Policy under the headings "Transactions Under Company Plans and Certain Other Transactions" and "Rule 10b5-1 Plans," no director, officer or key employee of the Company shall trade any type of Company Securities during the period beginning two weeks before the end of each fiscal quarter of the Company and ending two full business days after the public release of the financial results of the Company for the quarter (the "***Prohibited Trading Period***"). The criteria for classifying employees as "***key employees*****"** for purposes of the Prohibited Trading Period will be determined by the Board. The Company will advise you if you are a key employee. If you have received a copy of this Policy, you are considered to be a key employee or otherwise subject to this Policy.

From time to time, directors, officers, employees, consultants and/or contractors may become aware of material nonpublic information outside of a quarterly Prohibited Trading Period. So long as the information remains material and nonpublic, such persons may not trade Company Securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, designated persons should refrain from trading in Company Securities even sooner than the typical quarterly Prohibited Trading Period. In these situations, the Compliance Officer may notify these persons that they should not trade in Company Securities, without disclosing the reason for the restriction. Even if the Compliance Officer has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of material nonpublic information.

Please note that the Prohibited Trading Period may be changed at any time in the discretion of the Board or the Compliance Officer. The Compliance Officer will advise of any changes.

The foregoing restrictions on trading do not apply to transactions under a pre-existing written plan, contract or instruction that satisfies the conditions of Rule 10b5-1, as in effect at such time ("***Rule 10b5-1***"), under the U.S. Securities Exchange Act of 1934, as amended (the "***Exchange Act***") (a "***10b5-1 Plan***") and approved in writing by the Board or a committee of the Board or any officer of the Company designated by the Board.

In addition, bona fide gifts of Company Securities are not subject to this Policy, unless the person making the gift knows or is reckless in not knowing that the recipient intends to sell the securities while the person making the gift possesses material, non-public information, or the person making the gift is a director, officer or key employee and the sale by the recipient occurs during a Prohibited Trading Period (or special blackout period, as described below).

Tipping

No director, officer or employee of the Company shall directly or indirectly tip material, non-public information, whether the information relates to a security of the Company or any other entity, to anyone.

In addition, material, non-public information should not be communicated to anyone outside the Company under any circumstances, or to anyone within the Company other than on a need-to-know basis.

TRANSACTIONS UNDER COMPANY PLANS AND CERTAIN OTHER TRANSACTIONS

This Policy does not apply to the transactions listed below, except as specifically noted in the paragraphs below. Please note, however, that Covered Senior Persons are required to comply with the pre-clearance and trading restriction requirements described under "*Pre-Clearance of All Trades by All Directors, Officers and Key Employees*" below with respect to these transactions:

1. Stock Option Exercises: This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company's plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale of the underlying Company Securities of an option.

2. Restricted Stock Awards: This Policy does not apply to the vesting of restricted stock or restricted stock units, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock or restricted stock units. This Policy does apply, however, to any market sale of the Company Securities received upon such vesting.

3. Employee Stock Purchase Plan: This Policy does not apply to purchases of Company Securities in the employee stock purchase plan resulting from your periodic or lump sum contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy does apply, however, to your initial election to participate in the plan, changes to

your election to participate in the plan for any enrollment period, and to your sales of Company Securities purchased pursuant to the plan.

4. Mutual Funds: Transactions in mutual funds that are invested in Company Securities are not transactions subject to this Policy.

TRANSACTIONS BY FAMILY MEMBERS AND OTHERS

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (collectively referred to as "Family Members"). You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in Company Securities, and you should treat all such transactions for purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

TRANSACTIONS BY ENTITIES THAT YOU INFLUENCE OR CONTROL

This Policy applies to any entities that you or any of your Family Members influence or control, including any corporations, partnerships or trusts (collectively referred to as "Controlled Entities"), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account, unless advance approval is obtained from the Compliance Officer.

DEFINITIONS AND EXPLANATION OF INSIDER TRADING

Definitions

"***Trading***" refers to the purchase or sale of a security.

"***Insider trading***" refers to a trade in a security of an entity by an "***insider***" while in possession of "***material***", "***non-public***" information relating to the security. See below for an explanation of these terms.

"***Purchase***" and "***sale***" are defined broadly under U.S. federal securities law. "***Purchase***" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "***Sale***" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions including conventional cash-for-shares transactions, conversions, the grant and exercise of options and acquisitions and exercises of warrants or puts, calls or other instruments related to a security.

"***Security***" includes a share, bond, note, debenture, option, restricted share, restricted share unit, warrant or similar instrument issued by an entity or a derivative security relating to any of them,

whether or not issued by the entity.

It is generally understood that insider trading includes the following:

- trading by insiders while in possession of material, non-public information;
- trading by persons other than insiders while in possession of material, non-public information where the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; or
- communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

What Facts are Material?

The materiality of a fact depends upon the circumstances.

A fact is considered "***material***" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of an entity's business and to any type of security, debt or equity. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight.

While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- significant changes in prospects;
- significant write-downs in assets or increases in reserves;
- changes in dividends;
- changes in corporate earnings or earnings forecasts, or unusual gains or losses in major operations;
- proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets;
- developments regarding significant litigation or government agency investigations;
- major changes in management;
- offerings of securities;
- award or loss of a significant contract;
- significant borrowings or financings;
- defaults on borrowings; and
- bankruptcy.

Material information does not have to be related to an entity's business. For example, the contents of an about-to-be-released newspaper article that is expected to affect the market price

of a security can be material.

Moreover, material information is not limited to historical facts but may also include future events, projections and forecasts. With respect to a future event, such as a merger or acquisition or the introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on an entity's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular non-public information is material, you should presume it is material. **If you are unsure whether any information is material, you should consult the Compliance Officer before making a decision on whether to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates.**

A good general rule of thumb is: **when in doubt, do not trade**.

What is Non-public?

Information is "***non-public***" if it is not available to the general public.

In order for it to be considered available to the general public, information must be widely disseminated in a manner that makes it generally available to investors through such media as *Dow Jones*, newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the SEC that are available on the SEC's website. The circulation of rumors, even if accurate and reported in the media, does not necessarily constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market and investors to be able to react to the information. **Generally, one should allow a period of two full business days following publication before information is considered to be public.**

Non-public information may include:

- information available to a select group of analysts or brokers or institutional investors;
- undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- information that has been entrusted to an entity on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information.

If you are not sure whether information is considered public, you should either consult with the Compliance Officer or assume that the information is non-public and treat it as confidential.

Who is an Insider?

"***Insiders***" include directors, officers and employees of an entity and anyone else who has material, non-public information about the entity.

Insiders of an entity have independent fiduciary duties to the entity and its equity holders not to trade on material, non-public information relating to the entity's securities. All directors, officers and employees of the Company should consider themselves insiders with respect to material, non-public information about the business, operations, activities and securities of the Company.

Directors, officers and employees of the Company may not trade the securities of the Company while in possession of material, non-public information relating to the Company and may not tip (or communicate except on a need-to-know basis) such information to others.

Please note that trading by members of a director's, officer's or employee's family or household can be the responsibility of the director, officer or employee under certain circumstances and could give rise to legal and Company-imposed sanctions.

Trading by Persons Other than an Insider

Insiders may be liable for communicating or tipping material, non-public information to a third party (a "***tippee***").

Also, insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, non-public information tipped to them and other individuals who trade on material, non-public information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so too are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through such means as conversations at social, business or other gatherings.

Consequences of Violations

You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws. Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. Regulators have also prosecuted insider trading violations where an employee or insider has traded in the stock of another related company based on material nonpublic information learned in connection with their employment or role as an insider.

The SEC and the U.S. Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the U.S. federal securities laws include:

- SEC administrative sanctions;
- securities industry self-regulatory organization sanctions;
- civil injunctions;
- damage awards to private plaintiffs;
- disgorgement of all profits;

- civil and criminal fines; and
- jail sentences.

In addition, insider trading violations could result in serious sanctions by the Company, including termination of employment. A person's failure to comply with this Policy may subject the person to Company-imposed sanctions, whether or not the person's failure to comply violates any law.

Insider trading violations are not limited to violations of U.S. federal securities laws. Other U.S. federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the U.S. Racketeer Influenced and Corrupt Organizations Act (RICO) also may be violated by insider trading.

Examples of Insider Trading

Examples of insider trading cases include actions brought against:

- corporate directors, officers and employees who have traded a company's securities after learning of significant confidential corporate developments;
- friends, business associates, family members and other tippees of corporate directors, officers and employees who traded a company's securities after receiving information about such corporate developments;
- government employees who learned of corporate developments in the course of their employment; and
- other persons who misappropriated, and took advantage of, confidential information from their employers.

The following are illustrations of insider trading violations. These illustrations are hypothetical and consequently are not intended to reflect on the actual activities or business of the Company or any other entity.

Trading by Insider

An officer of X Corporation learns that earnings to be reported by X Corporation will increase dramatically. Before the public announcement of such earnings, the officer purchases X Corporation's shares.

The officer, an insider, is liable for all profits as well as penalties of up to three times the amount of all profits. The officer also is subject to, among other things, criminal prosecution. Depending upon the circumstances, X Corporation and the individual to whom the officer reports also could be liable as controlling persons.

Trading by Tippee

An officer of X Corporation tells a friend that X Corporation is about to publicly announce that it has concluded an agreement for a major acquisition. This tip causes the friend to purchase X Corporation's shares in advance of the announcement.

The officer is jointly liable with his friend for all of the friend's profits and each of the officer and the friend is liable for penalties of up to three times the amount of the friend's profits. In

addition, each of the officer and his friend are subject to, among other things, criminal prosecution, as described above.

Prohibition of Records Falsifications and False Statements

Section 13(b)(2) of the Exchange Act requires companies subject to the Exchange Act to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls.

The SEC has supplemented the statutory requirements by adopting rules that prohibit any person from falsifying records or accounts subject to the above requirements and officers or directors from making any materially false, misleading or incomplete statement to any accountant in connection with any audit or filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

PROCEDURES FOR PREVENTING INSIDER TRADING

The Company has established, and will maintain and enforce, the following procedures to prevent insider trading.

Every director, officer and employee of the Company is required to follow these procedures.

Identifying Material, Non-Public Information

Before directly or indirectly trading any Company Securities every director, officer and key employee is required to contact the Compliance Officer (as part of the pre-clearance procedure discussed below) and make an initial determination whether the Company and/or the director, officer or key employee is in possession of material, non-public information relating to the security.

In making such assessment, the explanations of "material" and "non-public" information set forth above should be of assistance.

If, after consulting with the Compliance Officer, it is determined that the Company and/or the director, officer or key employee is in possession of material, non-public information, trading in the security may not take place.

The responsibility for determining whether a person possesses material, non-public information rests with that person, and any action or statement of the Company, the Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not constitute legal advice or insulate a person from liability under applicable securities laws.

Information Relating to the Company

Access to Information

Access to material, non-public information about the Company, including the Company's business, operations, earnings or prospects, should be limited to directors, officers and employees of the Company on a need-to-know basis. In addition, such information should not be

communicated to anyone outside the Company under any circumstances or to anyone within the Company other than on a need-to-know basis.

In communicating material, non-public information to employees of the Company, all directors, officers and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

Inquiries from Third Parties

Inquiries from third parties, such as industry analysts and members of the media, about the Company should be directed to the Chief Executive Officer or the Chief Financial Officer or other appropriate person designated by them.

Limitations on Access to Company Information

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

(a) All directors, officers and employees should take all steps and precautionsnecessary to restrict access to, and secure, material, non-public information by, among other things:

- maintaining the confidentiality of Company related transactions;
- conducting their business and social activities so as not to risk inadvertent disclosure of confidential information (Review of confidential documents in public places should be conducted so as to prevent access by unauthorized persons);
- restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need to know basis (including maintaining control over the distribution of documents and drafts of documents);
- promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;
- disposing of all confidential documents and other papers after there is no longer any business or other legally required need through shredders when appropriate;
- restricting access to areas likely to contain confidential documents or material, non-public information; and
- avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs.

(b) Personnel involved with material, non-public information, should, to the extent feasible, conduct their business and activities in areas separate from other Company activities.

Pre-Clearance of All Trades by All Directors, Officers and Key Employees

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company's securities, **all transactions in Company Securities (including transactions that are otherwise exempted from the Policy as described under the heading "Transactions Under Company Plans and Certain Other Transactions.") by directors, officers and key employees (the "*Covered Senior Persons*") must be pre-cleared by the Compliance Officer. The Compliance Officer may not engage in any transaction in Company Securities without first obtaining pre-clearance in writing for such transaction form the Chief Executive Officer.**

These procedures also apply to transactions by a Covered Senior Person's spouse and minor children and other persons living in a Covered Senior Person's household and to transactions by entities over which a Covered Senior Person exercises control.

Clearance of a transaction is valid only for a 48 hour period. If the transaction order is not placed within that 48 hour period, clearance for the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the Covered Senior Person who requested the clearance.

To avoid any inadvertent violation of trading prohibitions and to enable directors and officers to file their Form 4 reports under Section 16(a) of the Exchange Act on a timely basis, no director and officer subject to Section 16 of the Exchange Act may purchase or sell securities of the Company unless such director or officer submits a request to transact in Company Securities form which is approved in advance by the Company's Compliance Officer.

Once the transaction is cleared, it must be completed within three (3) trading days of approval. The director or officer must confirm to the Compliance Officer that such transaction was completed no later than the close of business on the date such transaction is completed and shall provide the Compliance Officer with all of the information required to complete a Form 4 reporting such transaction (e.g. the date of the transaction, whether the transaction was an acquisition or disposition, the number of securities involved in the transaction, the price or prices at which the securities were acquired or disposed of, the amount of such securities beneficially owned after the transaction, and the nature of the ownership).

Avoidance of Aggressive or Speculative Trading; Additional Prohibitions

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It therefore is the Company's policy that any persons covered by this Policy may not engage in any of the following transactions unless advance approval is obtained from the Compliance Officer.

Directors, officers and employees of the Company and their respective family members (including spouses, minor children and other persons living in the same household) shall not directly or indirectly participate in transactions involving trading activities which by their aggressive or speculative nature may give rise to an appearance of impropriety. Such activities include purchasing derivative securities such as put or call options or entering into hedging transactions with respect to the Company Securities, engaging in short sales (i.e., selling shares one does not own and borrowing the shares to make delivery) or selling a security within six months of purchase (which is viewed as short-term or speculative transactions).

Securities held in a margin account or pledged as collateral for a loan may be sold by the

broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. You may not have control over these transactions as the securities may be sold at certain times without your consent. A margin or foreclosure sale that occurs when you are aware of material, non-public information may, under some circumstances, result in unlawful insider trading. Because of this danger, you shall not hold Company Securities in a margin account or pledging Company Securities as collateral for a loan.

Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described above) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales pursuant to standing instructions to a broker, and as a result the broker could execute a transaction when a director, officer or other employee possesses material, non-public information. The Company therefore prohibits placing standing or limit orders on Company Securities.

Rule 10b5-1 Plans

Rule 10b5-1 under the Exchange Act provides an affirmative defense to insider trading allegations under federal law. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 Plan for transactions in Company Securities that meets the conditions specified in Rule 10b5-1. If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions described in this Policy.

A person may not enter into overlapping Rule 10b5-1 Plans (subject to certain exceptions) and may only enter into one single-trade Rule 10b5-1 Plan during any 12-month period (subject to certain exceptions). Directors and officers subject to Section 16 of the Exchange Act must include a representation in their Rule 10b5-1 Plan certifying that: (i) they are not aware of any material nonpublic information; and (ii) they are adopting the Rule 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5.

To comply with this Policy, the adoption, modification or early termination of a Rule 10b5-1 Plan must be approved by the Board or a committee of the Board or any officer of the Company designated by the Board, and all Rule 10b5-1 Plans must meet the requirements of Rule 10b5-1. A Rule 10b5-1 Plan may be entered into or modified only (i) at a time when the person entering into, or modifying the plan is not aware of material nonpublic information about the Company or Company Securities and (ii) in the case of Covered Senior Persons, outside the Prohibited Trading Period.

Once a Rule 10b5-1 Plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The Rule 10b5-1 Plan must either specify the amount, pricing and timing of transactions in advance (including by use of a formula) or delegate discretion on these matters to an independent third party in accordance with the requirements of Rule 10b5-1.

Once a Rule 10b5-1 Plan is pre-cleared and is adopted or modified, it is subject to a “cooling-off” period before execution of the first trade. The “cooling-off” period for directors and officers subject to Section 16 of the Exchange Act ends on the later of: (1) 90 days following the Rule 10b5-1 Plan adoption or modification or (2) two business days following the disclosure in Form 20-F of the Company’s financial results for the fiscal quarter in which the Rule 10b5-1 Plan was adopted or modified (however, the cooling-off period will not exceed 120 days following plan adoption or modification). For all other individuals, a 30-day cooling-off period is required.

All persons entering into a Rule 10b5-1 Plan must act in good faith with respect to that plan.

SECTION 16 FILINGS FOR DIRECTORS AND OFFICERS

Edgar Filing Requirements

All Section 16(a) reports must be filed electronically with the SEC via EDGAR. Each director and officer subject to Section 16 of the Exchange Act must obtain EDGAR filing credentials, including a Central Index Key ("CIK"), EDGAR access codes, and a password, prior to filing. The Company's Compliance Officer will assist directors and officers in obtaining the necessary EDGAR credentials.

The SEC may bring enforcement actions against individuals who fail to comply with Section 16(a) reporting requirements, which may result in civil monetary penalties.

Reporting Obligations

1. Form 3: Initial Statement of Beneficial Ownership. Each director and officer must file a Form 3 with the SEC via EDGAR within ten (10) days of becoming a director or officer of the Company.

2. Form 4: Statement of Changes in Beneficial Ownership. Each director and officer must file a Form 4 with the SEC via EDGAR within two (2) business days following any change in beneficial ownership of the Company's equity securities. Reportable transactions include, but are not limited to: (i) open market purchases and sales; (ii) acquisitions or dispositions pursuant to employee benefit plans; (iii) gifts; (iv) exercises of stock options; and (v) acquisitions of securities pursuant to equity compensation awards.

3. Form 5: Annual Statement of Changes in Beneficial Ownership. Each director and officer must file a Form 5 with the SEC via EDGAR within forty-five (45) days after the end of the Company's fiscal year to report all transactions that occurred during the previous fiscal year that are specifically permitted to be reported on a Form 5 or should have been reported on a Form 3 or Form 4 but were not.

Company Assistance

The Compliance Officer will assist directors and officers in complying with Section 16(a) reporting requirements, including: (i) providing reminders of filing deadlines; (ii) assisting in the preparation of Forms 3, 4, and 5; (iii) coordinating with the Company's stock administrator or transfer agent to track transactions; and (iv) facilitating the EDGAR filing process.

EXHIBIT 12.1

Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Shawn (Xiaohua) Qu, certify that:

1. I have reviewed this annual report on Form 20-F of Canadian Solar Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 10, 2026

By: /s/ Shawn (Xiaohua) Qu
Name: Shawn (Xiaohua) Qu
Title: Chief Executive Officer

EXHIBIT 12.2

Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Xinbo Zhu, certify that:

1. I have reviewed this annual report on Form 20-F of Canadian Solar Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 10, 2026

By: /s/ Xinbo Zhu
Name: Xinbo Zhu
Title: Chief Financial Officer

EXHIBIT 13.1

Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Canadian Solar Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shawn (Xiaohua) Qu, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 10, 2026

By: /s/ Shawn (Xiaohua) Qu
Name: Shawn (Xiaohua) Qu
Title: Chief Executive Officer

EXHIBIT 13.2

Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Canadian Solar Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Xinbo Zhu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1). The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2). The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 10, 2026

By: /s/ Xinbo Zhu
Name: Xinbo Zhu
Title: Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-147042, 333-178187 and 333-201766 on Form S-8 of our reports dated April 10, 2026, relating to the financial statements of Canadian Solar Inc. and the effectiveness of Canadian Solar Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 20-F for the year ended December 31, 2025.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, China

April 10, 2026