



Soluna Holdings, Inc.

Related Party Transactions

For Executive officers, Directors and Other Related Parties

Introduction

This policy, as adopted by the Board of Directors (the “Board”) and administered through the Audit Committee (the “Committee”) sets forth requirements to be followed by Soluna Holdings, Incorporated and its subsidiaries (individually and collectively, the “Company”) and their executive officers, directors and other Related Parties regarding Related Party Transactions, (both as defined below). The policy is subject to review and may be amended from time to time.

Purpose

This policy is intended to enable the Committee to consider the ongoing review, oversight, and reporting of transactions between the Company and any of its Related Parties and, if approved, to submit to the Board for approval. Such transactions must be made at arm’s length and are appropriate only if they are in the best interests of the Company and its shareholders. The Company is required to disclose each year in its proxy statement and its annual report on Form 10-K, and also in certain other filings made by the Company with the Securities and Exchange Commission (“SEC”), certain transactions between the Company and Related Parties, as well as its policies and procedures for the review, approval and ratification of such transactions with Related Parties. In addition, the Committee reviews any Related Party Transactions involving non-employee directors as part of the annual determination of their independence.



Scope

This policy is directed to the Committee and the Company's executive officers, directors and other Related Parties, as described in the Introduction above, who are accountable to ensure the policy is kept up-to-date and followed.

Policy

Related Party Transactions, as described in, and in accordance with, this policy, shall be (i) subject to the review and oversight of the Committee for potential conflict of interest situations on an ongoing basis and (ii) approved, or ratified, as applicable, by the Committee, and, if approved or ratified, submitted to the Board for its approval.

Background

Our Code of Conduct and Ethics, which applies to all of the Company's employees, officers and directors, prohibits conflicts between the interests of its employees and the Company. Certain transactions between the Company and Related Parties need to be disclosed in certain of our filings with the SEC. SEC rules require our Board to assess whether relationships or transactions exist that may impair the independence of our outside directors. This policy is intended to provide guidance and direction on Related Party Transactions.

Definition

A "Related Party Transaction" is any transaction, arrangement or relationship or series of similar transactions, arrangements, or relationships, directly or indirectly involving any Related Party, as defined below, that would need to be disclosed under Item 404 of Regulation S-K promulgated under the Securities Act of 1933, as amended ("Regulation S-K"). Since the Company is a "smaller reporting company," as defined by Item 10(f)(1) of Regulation S-K, Item 404(d) of Regulation S-K requires the Company to disclose any transaction occurring since the beginning of the Company's last fiscal year and, in addition, for the fiscal year preceding the Company's last fiscal year, or any currently proposed transaction, involving the Company, any majority-owned subsidiary of the Company, including joint ventures, or any minority-owned subsidiary, including joint ventures, controlled by the Company, where the amount involved exceeds the lesser of (i) \$120,000 or (ii) one percent of the average of the Company's total assets at year-end for the last two completed fiscal years, and in which any Related Party had or will have a direct or indirect material interest. A Related Party Transaction also includes any



material amendment or modification to an existing Related Party Transaction, regardless of whether such existing Related Party Transaction has previously been approved in accordance with this policy.

“Related Party” means any of the following:

a) Any person who was in any of the following categories at any time during the specified period for which disclosure of Related Party Transactions is required:

i. Any director or executive officer of the Company;

ii. Any nominee for director, when the information on Related Party Transactions is being presented in a proxy or information statement relating to the election of that nominee for director; or

iii. Any immediate family member of a director or executive officer of the Company, or of any nominee for director when the information on transactions with Related Parties is being presented in a proxy or information statement relating to the election of that nominee for director, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer or nominee for director, and any person (other than a tenant or employee) sharing the household of such director, executive officer or nominee for director; and

b) Any person who was in any of the following categories when a transaction in which such person had a direct or indirect material interest occurred or existed:

i. A greater than 5% beneficial owner of any class of the Company’s voting securities; or

ii. Any immediate family member of any such security holder, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such security holder, and any person (other than a tenant or employee) sharing the household of such security holder.

Notwithstanding the foregoing, the Committee has reviewed the types of Related Party Transactions described below and determined that each of the following shall be deemed preapproved by the Committee:

• Any transaction that involves the providing of compensation to a director or executive officer in connection with his or her duties to the Company, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business;



- Any transaction with another entity at which a Related Party's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of that entity's equity securities (or similar), if the aggregate amount involved does not exceed the lesser of \$10,000 or two percent of that company's total annual revenues;

- Indemnification and advancement of expenses made pursuant to the Company's Certificate of Incorporation, as amended,² the Company's Bylaws or pursuant to any agreement to which the Company is a party;

- Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation, or university at which a Related Party's only relationship is as an employee (other than an officer or comparable position) or a director, if the aggregate amount involved does not exceed the lesser of \$10,000 or two percent of the charitable organization's annual total revenues including contributions;

- Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits on a pro rata basis;

- Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids;

- Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; and

- Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Identification of Potential Related Party Transactions

Related Party Transactions will be brought to executive management's and the Committee's attention in several ways. Each of our directors and executive officers are instructed and periodically reminded to inform the Committee of any potential Related Party Transactions. In addition, each such director and executive officer completes a questionnaire, on an annual basis in connection with the Company's preparation of its annual proxy statement that is designed to elicit information about any potential Related Party Transactions.

Any potential Related Party Transactions that are brought to the Company's attention are analyzed by our executive management and, as appropriate, with the Company's outside SEC counsel, to determine



whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring review and approval by the Committee in accordance with this policy.

Review and Approval of Related Party Transactions

At each of its meetings, the Committee will be provided with the details of each new, materially modified or proposed Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, and the benefits to the Company and to the relevant Related Party. In determining whether to approve a Related Party Transaction, the Committee will consider, among other factors as it deems appropriate, the following factors to the extent relevant to the Related Party Transaction:

- whether the terms of the Related Party Transaction are fair to the Company and substantially comparable to those that would be obtained in similar transactions with persons who are not a Related Party;
- the extent of the Related Party's interest in the transaction;
- whether there are business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director; and
- whether the Related Party Transaction would present an improper conflict of interest for any director or executive officer of the Company, taking into account factors such as the size of the transaction, the overall financial position of the director, executive officer, or Related Party, and the direct or indirect nature of the director's, executive officer's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship.

Any member of the Committee who has an interest in the transaction under discussion shall abstain from voting on the approval of the Related Party Transaction but may, if so requested by the Chairman of the Committee, participate in some or all of the Committee's discussions of the Related Party Transaction. Upon completion of its review of the transaction, the Committee may determine to permit or to prohibit the Related Party Transaction.

If a Related Party Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee, on at least a quarterly basis, shall review and assess ongoing relationships with the Related Party to see that



they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.

A Related Party Transaction entered into without approval of the Committee shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the transaction is brought to the Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision, or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this policy and shall take any such action it deems appropriate.

Disclosure

All approved Related Party Transactions should be disclosed in the Company's SEC filings, to the extent required under the SEC's rules and forms.

Policy Interpretation and Amendments

This policy has been adopted by the Board. The Committee, in consultation with outside SEC counsel, is responsible for interpreting and shall each have the authority to adopt, approve and implement any immaterial or administrative amendments or modifications to this policy as required or deemed necessary. The Committee, in consultation with outside SEC counsel, may authorize variations in the procedures set forth in this policy, provided that those variations are consistent with the general purpose of this policy and applicable securities laws. Any such variations or amendments may also be recommended to the Committee for approval by the Company's executive management, who may consult with outside SEC counsel in this regard. Any exception(s) to this policy on Related Party Transactions must be consistent with Item 404 of Regulation S-K and must be approved in advance by SEC counsel and/or executive management. Any exception(s) to this policy requested by executive management requires approval of the Committee.

5. Policy Compliance

The purpose of this policy is to guide the Committee's procedures for approving Related Party Transactions and therefore this policy is not subject to disciplinary action.

