



PHOTOVOLTAIC SALES POLICY

Policy Number: ASHH49191319Q000001E

This Policy is effected between

1. Wuxi Suntech Power Co., Ltd., hereinafter the **Insured**.

and

2. China Pacific Property Insurance Co., Ltd. Shanghai Branch (No.400,Wu Song Road, Shanghai) , hereinafter the **Insurer**.



Preamble

Wuxi Suntech Power Co., Ltd. (hereinafter referred to as "Suntech") is a P.R.China based manufacturer of photovoltaic modules which are sold internationally, either to Suntech's local sales offices, or directly to Suntech's customers.

Suntech wishes to insure its contractual liabilities arising out of the long-term performance and product warranties provided to its customers according to the Limited Warranty for PV Modules (hereinafter referred to as the "**Warranty**") which shall be part of the Insured Sales Contract between Suntech and its customers.

This Photovoltaic Sales Policy (hereinafter referred to as the "**Policy**") shall, according to the Policy's terms, conditions and limitations, indemnify Suntech for the costs and expenses necessary to fulfil its obligations under the Warranty.

1 Schedule

Insured	Wuxi Suntech Power Co., Ltd. 9 Xinhua Road, Wuxi New District,, 214028 Wuxi, Jiangsu, P.R.China
Insurer	China Pacific Property Insurance Co., Ltd. Shanghai Branch (No.400,Wu Song Road, Shanghai)
Policy Period	From 01.01.2019 (hereinafter referred to as the "Inception Date") until 31.12.2019 (hereinafter referred to as the "Expiration Date").
Indemnity Period	<p>The Indemnity Period shall be effective from the date on which the Warranty becomes effective, and shall continue:</p> <p>1.1.1</p> <p>a) with regard to the Performance Warranty, for a period of 25 years; or</p> <p>b) with regard to the Performance Warranty of double-glass Photovoltaic Modules, for a period of 30 years; and</p> <p>c) with regard to the Product Warranty, for a period of 12 years.</p>
Total Sum Insured	<p>The Total Sum Insured is the Sales Price of all Photovoltaic Modules in the Insured Sales Contract which shall be calculated no later than ninety (90) days after the Expiration Date, after receipt of notification containing the total amount of Insured Sales Contracts entered into during the Policy Period.</p> <p>1.1.2</p> <p>The Estimated Sum Insured shall be USD 299,200,000. If the Total Sum Insured calculated is less than USD 239,360,000, the Total Sum Insured shall be deemed USD 239,360,000.</p> <p>1.1.3</p> <p>The Total Sum Insured shall be no greater than USD 350,000,000; if the calculated amount has reached USD 350,000,000, any further sales contracts may be submitted by the Insured under this Policy upon the written approval of the Insurer. Such written approval to be submitted by the Insurer to the Insured within 30 days.</p>
Policy Limit	<p>The Insurer's maximum cumulative and aggregate limit of liability under this Policy in respect of all Photovoltaic Modules attaching to this Policy during the Policy Period until expiry of the respective Indemnity Period shall not exceed 8% of the Total Sum Insured.</p> <p>1.1.4</p> <p>The Policy Limit shall apply in excess of the Deductible and the Self-Insured Retention.</p> <p>1.1.5</p> <p>Any payment of Loss shall erode the Policy Limit.</p>
Sublimit	The Insurer's aggregate liability under this Policy per Insured Sales Contract shall not exceed the Sublimit. The Sublimit shall apply per Insured Sales Contract, and shall not exceed 8% of the

	<p>Sales Prices of all Photovoltaic Modules in the respective Insured Sales Contract.</p> <p>1.1.6</p> <p>The Sublimit per Insured Sales Contract shall apply in excess of the Deductible and the Self Insured Retention. The Sublimit is part of and shall not apply in addition to the Policy Limit.</p>
Deductible	<p>The Insurer shall only indemnify the Insured for Loss incurred in excess of the Deductible. The Deductible shall be the greater of:</p> <ul style="list-style-type: none">a) USD 200,000; orb) 5% of the Sales Price of all Photovoltaic Modules in the respective Insured Sales Contract. <p>The Deductible shall apply separately for each Loss under one Insured Sales Contract resulting from one Breach. Any limits of liability shall apply in excess of the Deductible.</p>
Waiting Period	<p>The Insurer shall not be liable for any Loss incurred during the first 24 consecutive months of the Indemnity Period.</p>
Self-Insured Retention	<p>The Self-Insured Retention shall be 20% of each and every Loss exceeding the Deductible, to be retained by the Insured.</p>
Linear Depreciation	<p>A Linear Depreciation of 4% of Sales Price to be applied per year starting from the Shipment Date; 3.33% for modules with a Performance Warranty with a period of 30 years.</p>
Premium	<p>The Premium shall be 0.49215% of the Actual Total Sum Insured.</p> <p>1.1.7</p> <p>The Estimated Gross Premium Amount shall be USD 1,472,512.8 inclusive of VAT, and other deductions and represents best-estimates in utmost good faith, but will be adjusted at the end of the Policy Period by the Reinsurer according to the final Total Sum Insured.</p> <p>1.1.8</p> <p>The aforementioned Premium shall include Premium for both the Photovoltaic Sales Policy and Photovoltaic Buyer Policy, which is attached hereto as Exhibit H.</p> <p>The Insured shall pay to the Insurer the Premium no later than thirty (30) Business Days after it has been invoiced by the Insurer after receipt by Insurer of the notification of any Insured Sales Contracts as set forth in Section 7.3.2.</p> <p>The Insurer shall have no liability under this Policy unless and until the full Premium has been received by the Insurer.</p> <p>1.1.9</p> <p>The amount of Premium to be paid shall be reduced by the Commitment Fee actually received by the Insurer.</p> <p>1.1.10</p> <p>Premium shall be deemed fully earned and non-refundable.</p>
Commitment Fee	<p>The Insured shall pay the Insurer a Commitment Fee of USD 736,256.4 within thirty (30) Business Days after signature of the Policy by both parties and after receipt of the invoice from the Insurer.</p>

	<p>1.1.11 The Commitment Fee shall be deemed fully earned and non-refundable.</p>
Taxes	<p>The Premium and the Commitment Fee shall be inclusive of 6% VAT. Any applicable any other applicable tax, fee or surcharge is excluded.</p> <p>1.1.12 It is the Insured's responsibility to pay any applicable surplus lines or premium tax and any other applicable tax, fee or surcharge.</p>
Currency	USD
Law and Jurisdiction	P. R. China

This Policy shall not be effective unless signed and dated by the Insurer and the Insured.

SIGNED on _____

for and on behalf of
Wuxi Suntech Power Co., Ltd.

by _____

Name:

Title:

SIGNED on

for and on behalf of
China Pacific Property Insurance Co., Ltd. Shanghai Branch
(No.400,Wu Song Road, Shanghai)

By _____

Name:

Title:



2 DEFINITIONS

The capitalized terms used in the Policy shall have the meanings as defined in the following Definitions or at any other place within the Policy or endorsed thereto, including the Schedule and the Exhibits.

A definition to the singular shall include the plural and vice versa.

“Actual Module Performance” means the performance of the Photovoltaic Modules to be determined based upon the test performed according to the standards set forth in the Approved Test.

“Application” means the executed application submitted by the Insured in connection with the underwriting of this Policy (including Questionnaires, flash data sheets, etc.).

“Approved Test” means a statistical sample test of the respective modules carried out by an independent expert approved by the Insurer to prove a decrease of the power output of an Photovoltaic Module which is due to Faulty Manufacturing, Material Defect and/or Material Aging. For the purpose of determining the power output, measurements shall be carried out in accordance with the requirements set forth in the Performance Warranty. All relevant measurement uncertainties and statistical errors must be duly taken into account. Any results of an Approved Test shall be adjusted in favour of the Insurer using a measurement uncertainty of 3%. However, if at any point during the Indemnity Period, a more accurate testing mechanism/procedure is created to determine the power output of photovoltaic modules, and said testing mechanism/procedure is considered accepted within the photovoltaic industry to be an accurate testing method, the Insured and the Insurer shall work together in good faith to renegotiate the measurement uncertainty to correlate with then industry standards.

“Breach” means:

- a) A claim by a Buyer under the Performance Warranty directly resulting from an unforeseen decrease in power output of the Actual Module Performance of all Photovoltaic Modules in an Insured Sales Contracts falls below the Insured Module Performance level for all Photovoltaic Modules in an Insured Sales Contracts due to Faulty Manufacturing, Material Defect, or Material Aging; or
- b) A claim by a Buyer under the Product Warranty directly resulting from the Photovoltaic Modules being defective due to the Specified Defects of Photovoltaic Modules as set forth in Exhibit B.

The same Breach either 1) occurring several times within a period of more than one year, or 2) arising out of different Insured Sales Contracts, or 3) not resulting from the same Unique Failure Patterns shall be considered as separate Breaches under this Policy, and all deductibles and limits shall apply separately to each Breach.

“Buyers” means the buyers of the Photovoltaic Modules under the Insured Sales Contracts.

“Faulty Manufacturing” means any defect, including but not limited to a defect in the assembly or construction of a Photovoltaic Module which was not detected by the Insured’s quality management and control system (including final functional acceptance tests) as it was inspected, approved and/or prescribed by the Insurer upon the necessary underwriting due diligence.

“Insured Module Performance” means the warranted performance of the Photovoltaic Modules as set forth in the Performance Warranty.

"Insured Sales Contracts" means those sales contracts for Photovoltaic Modules for which the Relevant Information has been received by the Insurer in accordance with Section 7.3.1 of this Policy

"Linear Depreciation" means the percentage rate of linear depreciation of the Sales Price of each Photovoltaic Module over time as set forth in the Schedule which results in the Actual Cash Value calculated for a specific year "n" as follows:

$$\text{Actual Cash Value (n)} = \text{Sales Price} * (100\% - n * \text{Linear Depreciation})$$

"Material Aging" means any gradual irreversible deterioration in the material properties of the Photovoltaic Modules as a result of the passage of time, that cause a reduction in power output as set forth in the Performance Warranty, in excess of expected wear and tear and degradation.

"Material Defect" means any faulty material forming part of a Photovoltaic Module which is not detected by the Insured's quality management and control system (including final functional acceptance tests) as it was inspected, approved or prescribed by the Insurer upon the necessary underwriting due diligence.

"Performance Warranty" means the warranted percentages of out as set forth in Clause 2 of the Warranty as attached as Exhibit B.

"Photovoltaic Modules" means photovoltaic modules that fulfil the product type specifications as set forth in Exhibit A, and are sold as part of an Insured Sales Contract within the Policy Period, to a photovoltaic park with no less than 2 MWp of DC capacity or to a portfolio of photovoltaic parks that is owned by one Buyer with no less than 2 MWp of aggregated DC capacity.

"Power Measurement" means the determination of the characteristic IV curve of a Photovoltaic Module according to IEC-60904 with traceable calibrated equipment including the correction of the IV curve to Standard Test Conditions and the calculation of the maximum power point (P_{mpp}). Any uncertainty resulting from the calibration, the accuracy of the equipment, instabilities of the setup, the correction and calculations methods, or error propagations have to be determined and taken into account appropriately.

"Product Warranty" means the Product Warranty as set forth in Clause 1 of the Warranty as attached as Exhibit B.

"Questionnaire" means the document containing the questions for the risk assessment and the Insured's answers thereto which was executed and delivered to the Insurer as required with the underwriting of this Policy as part of the Application.

"Refund Costs" means the one-time payment of the cash value per defective Photovoltaic Module of the underperformance of the Photovoltaic Modules, being the sum of the difference in the Actual Module Performance (in Wp) and the Insured Module Performance multiplied by the market price in USD/Wp at the date of the claim under the Policy, but not exceeding the Sales Price in USD/Wp of the defective Photovoltaic Modules.

"Relevant Information" means with respect to the Photovoltaic Module the Buyer's name and address, the Sales Price, the serial numbers, product types, bill of materials, test reports, flash data and the date specified as shipment date in the respective Insured Sales Contract.

"Repair Costs" means the reasonable and necessary costs the Insured actually incurs to fix the Photovoltaic Modules to a condition that complies with the Insured Module Performance.

"Representatives" means the principal persons who (i) supervised, reviewed or conducted the disclosure process in connection with the Application, (ii) supervised, reviewed, prepared or negotiated the Performance Warranty and the Product Warranty or (iii) other key individuals set forth in Exhibit E.

"Sales Price" means the consideration in cash paid to and received by the Insured from the sale of Photovoltaic Module to the Buyer as evidenced in the respective invoices, net of all taxes, fees, transport or other miscellaneous costs.

However, Sales Price shall not include any consideration received for resale, relocation or replacement of Photovoltaic Module as well as provision of additional photovoltaic modules whether or not ex gratia or due to any (statutory or contractually) legal obligations.

"Terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

"Unique Failure Pattern" means that a Breach is related to the same root cause in a factual and timely manner or is caused by the same supply materials.

3 INSURING AGREEMENT

In the event that, during the Indemnity Period, a Breach occurs, the Insurer will, subject to the terms and conditions of this Policy including any limitation on the Insurer's liability, indemnify the Insured for its Loss directly resulting from such Breach.

4 INDEMNIFICATION

The Insurer shall indemnify the Insured for its **Loss** which shall be calculated as follows:

4.1 With regard to the **Performance Warranty**:

The lesser of:

- 4.1.1 the Repair Costs
- 4.1.2 the costs the Insured actually incurs to replace the Photovoltaic Modules in order to reinstate the Insured Module Performance of the defective Photovoltaic Module; or
- 4.1.3 the costs to provide additional photovoltaic modules required to restore the actual power output of the Photovoltaic Modules to a level as guaranteed under the Performance Warranty; or
- 4.1.4 the Refund Costs of the underperformance of the Photovoltaic Modules; or
- 4.1.5 the Actual Cash Value of the defective Photovoltaic Modules.

4.2 With regard to the **Product Warranty**:

The lesser of:

- 4.2.1 the costs the Insured actually incurs to replace the defective Photovoltaic Modules; or
- 4.2.2 the costs the Insured actually incurs to repair the defective Photovoltaic Modules; or
- 4.2.3 the Actual Cash Value of such defective Photovoltaic Modules.

However, for both Performance Warranty and Product Warranty, any costs the Insured incurs for transportation, labour, testing, consultation, disassembly and reassembly of the Photovoltaic Modules affected by underperformance or Faulty Manufacturing, Material Defect or Material Aging shall be excluded.

5 PHOTOVOLTAIC BUYERS POLICY

- 5.1 The Insured has entered into a Photovoltaic Buyers Policy attached hereto as Exhibit H under which the Buyers shall be the beneficiaries in case of the insolvency of both the Insured and the entity which is liable for the Product Warranty and Performance Warranty.
- 5.2 In the event a claim is made under the Photovoltaic Buyers Policy against the Insurer, the Insurer shall no longer have any liabilities or obligations to the Insured under this Policy.
- 5.3 Any Loss payments made by the Insurer under this Policy shall erode the Policy Limit, Sublimits and the Manufacturer Limit of the Photovoltaic Buyers Policy and the Policy Limit, Sublimits and Manufacturer Limit of this Policy.

6 EXCLUSIONS

In addition to the exclusions set forth in the Warranty, the Insurer shall not be liable to pay any Loss arising out of, relating to or resulting directly or indirectly from or payable under:

- 6.1 any Loss occurring during the Waiting Period;
- 6.2 any ex gratia payment made by the Insured to the Buyer;
- 6.3 any (i) Breach of which any of the Representatives had actual knowledge or should have been known through reasonable due diligence prior to or at the date of Inception or (ii) material inaccuracy or incompleteness in the Application and the Questionnaire;
- 6.4 any failure in quality control as specified in the Insured quality handbook and work instructions controlled by means of ISO-9000/9001;
- 6.5 any fraud or wilful intent to deceive the Insurer committed by the Insured or any Representatives or any gross negligence on the part of any of the Insured or its Representatives;
- 6.6 any inverters, cables, trackers, module level electronics, fastening systems or objects for mounting or transporting any Photovoltaic Module;
- 6.7 any installation, dismantling, removal, transportation, reassembly or modification of Photovoltaic Module;
- 6.8 Any fault, defect, error or omission in design, plan or specifications of the Photovoltaic Modules. For the avoidance of doubt, if the modules are produced accordance to IEC 61215 any defects shall not be considered as design defect.
- 6.9 any misuse, abuse, neglect or accident, inadmissible alteration, improper installation application, or non-observance of the Insured's installation and maintenance instructions, repairs or modification of the Photovoltaic Module.
- 6.10 any external influence on the Photovoltaic Modules other than the normal climate and weather related conditions, including but not limited to fire, lightning, explosion, windstorm, hail, flood, earth movement, earthquake, mine subsidence, riot, civil commotion, vandalism and malicious mischief whether or not caused by or attributable directly or indirectly, to the Photovoltaic Modules and/or contributing to a Breach.
- 6.11 any war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, conspiracy, military or usurped power, confiscation, nationalization, commandeering, requisition or destruction or damage by or under the order of any government de jure or de facto or by any public or local authority;
- 6.12 any acts of any person or persons acting on behalf of or in connection with any organization with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;
- 6.13 any act of Terrorism, including loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism;
- 6.14 any ionizing radiation or radioactive contamination from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel;
- 6.15 any radioactive, toxic, explosive or otherwise hazardous or contaminating proper-ties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 6.16 any weapon or device employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter;
- 6.17 any pollution and/or contamination, directly or indirectly, arising from any cause whatsoever and any loss, cost or expense due to any request, demand or order that any Insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of any solid, liquid, gaseous or thermal irritant or contaminant; or any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding

to, or assessing the effects of any solid, liquid, gaseous or thermal irritant or contaminant.

7 GENERAL TERMS AND CONDITIONS

- 7.1 **Adherence to Terms and Conditions.** The Insurer's liability shall be contingent on the Insured's due observance and fulfilment of the terms and conditions of this Policy.
- 7.2 **Representations and Warranties.** By accepting this Policy, the Insured represents and warrants that:
- 7.2.1 it is purchasing the coverage described in this Policy with full knowledge and acceptance of its terms and conditions without any reliance on any representation, warranty, advice or other statement by the Insurer or any of its representatives or advisors regarding any legal, tax or accounting implications or requirements of the coverage described in this Policy;
 - 7.2.2 it owes a duty to the Insurer to disclose any and all information that is relevant and material to the Insurer so as to enable it to determine whether to provide this Policy;
 - 7.2.3 the information and material disclosed to the Insurer is complete and accurate in any and all material manner and not misleading and no information or material has not been disclosed to the Insurer that, if disclosed to the Insurer would, individually or taken together, materially affect the issuance of this Policy or Insurer's liability hereunder in any material manner;
 - 7.2.4 it has no knowledge or information of any matter, fact or circumstance, which is likely to give rise to a Loss as of the Inception Date.
- 7.3 **Insured's Obligations.**
- 7.3.1 **Notification of individual Insured Sales Contracts.** The Insured shall provide to the Insurer the form attached hereto as Exhibit C, no later than ninety (90) days after the date specified as shipment date in the respective Insured Sales Contract, which shall include all Relevant Information.
 - 7.3.2 **Notification of total amount of Insured Sales Contracts.**
 - 7.3.2.1 The Insured shall provide to the Insurer no later than 90 days after the Expiration Date, a notification containing the total amount of Insured Sales Contracts entered into during the Policy Period.
 - 7.3.2.1 The Sum Insured of all Insured Sales Contracts with Photovoltaic Modules other than standard technology shall be no greater than 5% of the Total Sum Insured; if the calculated amount has reached 5% of the Total Sum Insured, any further sales contracts may be submitted by the Insured under this Policy upon the written approval of the Insurer.
 - 7.3.3 **Inspection of Photovoltaic Modules.** At any time during the Policy Period, the Insured shall grant access to the Insurer and the Insurer's experts (including auditors and external professional advisors) to inspect and carry out tests on the Photovoltaic Modules and their production and delivery process. The Insured shall be obliged to implement any recommendations the Insured's experts issue that are critical to secure the long-term performance of the Photovoltaic Modules. In case the Insured refuses to make the implementations as suggested by the Insured's expert, the Insurer shall have the right to cancel this Policy by giving written notice of 30 days if such change of technical assessment of the Photovoltaic Modules would result in a change of risk for the Insurer to such an extent that a reasonable Insurer would, under the same circumstances, have declined accepting the risk under the same terms and conditions.
- 7.4 **Notification of Breach; Claim Filing Procedure; Determination of Loss; Payment of Loss.**

- 7.4.1 **Notification of Breach.** The Insured undertakes to notify the Insurer of any Breach or any matter that may reasonably be expected to give rise to a Loss as soon as the estimated or actual amount of Losses or claims may exceed 50% of the Deductible.
- 7.4.2 **Claims filing procedure.** The Insured shall deliver a Claim Notice in the form attached hereto as Exhibit D to the Insurer, signed by an authorized representative of the Insured, as soon as reasonably practicable but no later than one year after the Insured becomes aware of any Loss or any Breach or matter that may reasonably be expected to give rise to a Breach or Loss.
- 7.4.3 **Updates and information.** Subsequent to delivery of any notification set forth in Section 7.4.1 or 7.4.2:
- 7.4.3.1 the Insured shall keep the Insurer informed about the development of any Breach, or any matter that may reasonably be expected to give rise to a claim under the Policy;
 - 7.4.3.2 furnish any other information and documentary evidence that the Insurer may require regarding such notification;
 - 7.4.3.3 the Insured or anyone acting on its behalf shall comply with any reasonable recommendations the Insurer may make following the notification of any Loss or potential Loss that might give rise to a claim under the Policy; and
 - 7.4.3.4 the Insured will as may be reasonably required, submit for examination under oath of any person designated by the Insurer and sign the written records of examination.
- 7.4.4 **Insurer's Response.** The Insurer shall respond to a Claim Notice as soon as reasonably practicable.
- 7.4.5 **Duty to Defend.** The Insurer shall not assume any duty to defend the Insured with respect to any claim made by a Buyer against the Insured. However, the Insurer shall be entitled to associate in the defence, prosecution, negotiation and settlement of any claims by a Buyer against the Insured under the Warranty, as set forth in Exhibit B.
- 7.4.6 **Offsetting Recoveries.** A Loss shall be reduced by any offsetting recoveries (including recoveries from any other insurance policies or indemnities, or from the sales of defective modules) or tax benefits due to any of the Insured or any of its Affiliates.
- 7.4.7 **Mitigation.** The Insured shall as far as possible protect and preserve the Photovoltaic Modules during and after a Breach and take reasonable care to reduce the Loss.
- 7.4.8 **Cooperation and Information.** The Insured shall, and to the extent possible, shall cause its Affiliates, to cooperate with the Insurer and, in a timely manner, provide the Insurer with complete and accurate information in connection with any notifications as required under Section 7.4 of this Policy or other matter relating to this Policy.
- 7.4.9 **Examination and Audit Rights.** The Insured shall permit the Insurer upon reasonable notice to examine, photocopy and take extracts from the books, records, data, files and information of the Insured and its respective Affiliates and grant access to the Insured's and its respective Affiliates' representatives (including auditors or external professional advisors) for interviews and depositions during normal business hours and at reasonable locations.
- 7.4.10 **Maintenance of Records.** Until the later of 90 days after (i) the expiration of the respective Indemnity Period and (ii) the final resolution of all claims or disputes relating to this Policy, the Insured shall, and to the extent possible, shall cause its Affiliates to maintain all information as required in the Claims Notice Form and all of their respective materials relating to the due diligence conducted in connection with the production and Sale of the Photovoltaic Module.

- 7.5 **Other Insurance Coverage.** If there is other collectible insurance for the Loss, the Policy will cover as excess insurance and will not contribute with such other insurance. The Insured will not insure or seek to insure the Deductible and the Self-Insured Retention without the prior written consent of the Insurer.
- 7.6 **Subrogation.**
- 7.6.1 The Insured shall preserve any indemnification or other rights against any other person or entity for any Loss and preserve the Insurer's subrogation rights with respect thereto.
- 7.6.2 In the event of any payment by the Insurer in connection with this Policy, the Insurer shall be subrogated to, and the Insured shall assign to the Insurer, all of the Insured's respective rights of recovery against any person or entity based upon, arising out of or relating to such payment. If the Insured is unable to assign such rights to the Insurer, or if the Insurer desires, then, instead of assigning such rights to the Insurer, the Insured shall allow the Insurer to bring suit in the Insured's name. The Insured shall, and to the extent possible shall cause its respective Affiliates to, execute all papers required and take all steps reasonable, necessary or advisable to secure and further such subrogation and assignment rights. In no event shall the Insured or its respective Affiliates waive any rights that could adversely affect any such subrogation or assignment rights. Any amounts recovered by the Insurer in connection with the exercise of its subrogation or assignment rights shall be applied first to reimburse the Insurer for any Loss paid by the Insurer pursuant to this Policy and for any costs or expenses incurred in connection with such recovery and then the remainder of such recovered amounts shall be paid to the Insured.
- 7.6.3 The Insured shall defend at its own expense, and satisfy any liability with respect to, any counterclaim or third party demand asserted in connection with any subrogation or assignment claim pursued by the Insurer.
- 7.7 **Reimbursements.** After any payment by the Insurer in connection with this Policy, (i) if it is determined pursuant to the procedures set forth in this Policy that all or any portion of the amount paid did not constitute Loss or is excluded from coverage under this Policy or (ii) if any of the Insured or its respective Affiliates receive, directly or indirectly, amounts from any insurance, indemnification or other source which reduces the amount of Loss actually incurred, then the Insured or its Affiliates shall promptly, and in no event later than 60 days after such determination or receipt, reimburse or refund to the Insurer the amount overpaid.
- 7.8 **Use of marks; Public Announcements; Marketing; GTS Business Suite.**
- 7.8.1 **Use of marks.** The Insured and Insurer acknowledge and agree that each party owns all rights, title, interest and goodwill in such party's logo, trademarks, service marks and other similar designations (**Marks**) and that all rights, title, and interest in and to each party's Marks shall remain with that party. During the Policy Period, the Indemnity Period and thereafter, the Insurer and Insured agree to do nothing inconsistent with the other party's sole and exclusive ownership of such Marks. Except as permitted in the Policy or in a separate written agreement between the parties, the Insured and Insurer agree that they will not adopt or use the other party's Marks, either alone or in combination with other terms, or any other marks based on the other party's Marks or any designation confusingly similar to the other party's Marks.
- 7.8.2 **Public announcements.** Neither the Insured or Insurer will issue any press release or make any public announcement or statement regarding this Agreement or that party's relationship with the other party without the prior written approval of the other party. Exhibit F includes a list of pre-agreed public statements and announcements.
- 7.8.3 **Marketing Materials.** The Insurer and Insured will provide or cause to be provided to the other party copies of all materials (in whatever form) created by or on behalf of Insured and /or its Affiliates to publicize the relationship between the Parties stipulated

by this Policy including this Policy (**Marketing Materials**) within a reasonable time prior to the scheduled date for the use of such Marketing Materials. The use and publication of all such Marketing Materials shall be subject to the other party's prior approval which cannot be unreasonably withheld. Exhibit G includes a list of pre-agreed Marketing Materials. The Insurer and Insured acknowledge and agrees that Marketing Materials and advertising related to this Policy and the cooperation and/or relationship between the Parties shall at all times be in compliance with all applicable laws and regulations.

- 7.8.4 **GTS Business Suite.** The Insured agrees that the conclusion of this Policy will be included into Munich Re's Green Tech Solution website called GTS Business Suite which provides for an overview of modules manufacturers having concluded insurance with respect to photovoltaic modules.
- 7.9 **Titles.** The titles of paragraphs, sections, provisions, or endorsements of or to this Policy are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Policy.
- 7.10 **Severability.** If any provision of the Policy is found by any governmental authority or court of law to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of the Policy and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. The Parties hereby agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision that achieves to the greatest extent possible the economic, legal and commercial objectives of the invalid or unenforceable provision.
- 7.11 **Inconsistency.** In case of any difference or inconsistency in the terms and conditions between this Policy and the Warranty, the terms and conditions of this Policy shall prevail.
- 7.12 **Language.** Unless otherwise explicitly agreed, all notices and communication (including accompanying documentation, annexes, exhibits and attachments) to be made under or in connection with this Policy shall be made in the English language. Any translation into foreign language may be provided for convenience purposes. In the event of any conflict between the English text and the text in a different language, the English text shall prevail.
- 7.13 **Currency.** All statements of account, reports, financial statements, claims notifications, loss reports and all payments between the parties shall be reported in the currency or currencies specified in the Schedule. For the purpose of this Policy, any other currencies shall be converted at the rates of exchange used in the Insurer's books or where there is a specific remittance for a loss settlement at the rates of exchange used at that actual date of Loss. Rates of exchange shall be the official London exchange rates published by international financial news agencies (London Fixing).
- 7.14 **Notice.** Any notice (including a Claim Notice) or other communication concerning the subject matter of this Policy shall be made in writing and shall be effective upon receipt, and (i) if to the Insured, shall be delivered to the Insured at its mailing address set forth in the Schedule, and (ii) if to the Insurer, shall be delivered to it at the following address:

China Pacific Property Insurance Co., Ltd. Shanghai Branch
No.400,Wu Song Road, Shanghai
P. R. China

with a copy sent simultaneously to:

Munich Reinsurance Company
GC/NA4.5.1
Koeniginstrasse 107
80802 Muenchen
Germany

If the Insured so requests in writing to the Insurer, and for purposes of convenience only, and not as a condition precedent to any rights under this Policy, a copy of any such notice or other communication shall be sent simultaneously to the Insured's insurance broker at its mailing address set forth in the Schedule.

- 7.15 **Limitation.** Unless otherwise agreed, claims under this Policy shall be time-barred and unenforceable under or with respect to this Policy or otherwise, unless reported in writing to the Insurer and made within one (1) year of the date the Insured or its representative first became aware of, or were made aware of the claim. In no event shall a claim be covered under this Policy that is made after the expiration of the Indemnity Period.
- 7.16 **Waiver and Amendment.** The terms of this Policy may not be waived or amended except pursuant to a written endorsement executed and issued by the Insurer and consented to by the Insured.
- 7.17 **Assignment.** This Policy and the rights and obligations hereunder are not assignable by the Insured without the prior written consent of the Insurer.
- 7.18 **Entire Agreement.** This Policy constitutes the entire agreement and understanding concerning the subject matter of this Policy and supersedes any prior oral or written agreements, discussions or other communications entered into between the Insurer and the Insured concerning the subject matter of this Policy.
- 7.19 **Sanction.** No (Re)Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or United States of America, provided that this does not violate any regulation or specific national law applicable to the (Re)Insurer.
- 7.20 **Governing Law.** The construction, validity and performance of this Policy shall be governed by the laws as set forth in the Schedule, without regards to conflicts-of-laws principles.
- 7.21 **Jurisdiction.** Each of the Parties irrevocably agrees that the courts of the jurisdiction stated in the Schedule shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, or to settle any disputes, which may arise out of or in connection with this Policy or its formation or validity.

Exhibit A

Technical Conditions

Only those photovoltaic module are insured and defined as Photovoltaic Modules under this Policy which are listed in and hold the valid

- a) VDE IEC 61215 Certificate with Number 40039765
- b) further Certificate Registration Numbers may be submitted by the Insured to the Insurer during the Policy Period and will be attached to the Policy via an Endorsement, as is part of this Exhibit A, provided that:
 - (i) each of those modules have been manufactured in the production facility listed within the certificate by the Insured/s within a period of not more than six months prior to the date of its sales invoice;
 - (ii) those modules pertained to Insured Sales Contracts with all Relevant Information submitted to the Insurer as required under this Policy;
 - (iii) each of the module is labelled with a nameplate according to EN 50380, showing the Insured/s as manufacturer, a unique serial number, the product type and the nominal power rating as well as the applicable and valid certification mark for IEC-61215/61730; OEM labels without naming the Insured/s may only be used, if the modules can clearly and conclusively be identified as manufactured by the Insured/s and the serial number is unique across the whole OEM production volume;
 - (iv) there is an unique identifiable serial number laminated inside the module which matches the nameplate value and which allows to identify the production line used for manufacturing the module;
 - (v) the Power Measurement of the respective module at the end of the production line was above the nominal power value;
 - (vi) each of those modules is manufactured according to a recipe bill of materials (**BoM**) which received valid certification according to IEC-61215; certifications based on retesting guidelines may not reach back more than 5 years from the initial full test and the certification chain may not exceed more than three retesting links;
 - (vii) each of those modules was manufactured with a junction box which is equipped with reliable and appropriate bypass-diodes, and which was successfully checked according to IEC-62790, whereas an in-house test report is acceptable;
 - (viii) each of those modules was manufactured with a recipe which was checked against potential induced degradation (max. 5% power loss during IEC-62804-1), long-term UV degradation (IEC-61345) and detachment of the junction box;
 - (ix) those modules are manufactured with a bill of materials (BoM) that has successfully passed an internal extended reliability test of DH 3000 hours, TC 600 cycles, HF 30 cycles, UV 45kWh, PID 96 hours and Hot Spot 20 hours with less than 8% degradation for each test series. Alternatively, a test procedure according to CSA C450 can be applied. Alternatively, a test procedure according to CSA C450 or DNV GL PQP can be applied. Other, similar test procedures by a can be applied after review and approval by Munich Re. For the BoM, which is used most often in terms of number of sold modules per year, the test must be done externally by a third party.
 - (x) the solar cells encapsulated in those modules are purchased from notable cell manufacturers that have a production capacity above one GWp;

- (xi) in case of PERC cells, they must be verified with an temperature elevated LID check according to IEC60904-11 (draft and later final version) that shows less than 5% power loss;
- (xii) for Photovoltaic Modules, which apply a Power Optimizer Box, the Power Optimizer Box is excluded under this policy. Any performance warranty claim resulting from, or referring to a defect of the Power Optimizer Box is not covered under this Policy. In order to prove an underperformance of the Module under this Policy, the Maximum Power of the module must be determined under STC, by making direct electrical contact to the electrical contact to the electrodes of the module, thus bypassing the Power Optimizer Box.

Exhibit B

Product Warranty and Performance Warranty

Specified Defects

A Breach under the Product Warranty, will only be considered a Breach under this policy, if the defective Photovoltaic Module is still performing according to the Performance Warranty, but has significant deviations from the specifications, which severely limit its functionality, resulting from Faulty Manufacturing, Excessive Material Ageing, Material Defects due to one of the following Specified Defects:

- Faulty junction box due to low insulation resistance
- Faulty junction box due to faulty soldering („cold soldering“)
- Faulty junction box due to defective by-pass diode
- Faulty cell due to light induced degradation resulting in hotspots due to cell mismatch
- Faulty cell due to potential induced degradation
- Faulty soldering at bus bar („cold soldering“)
- Delamination of laminate