PowerGuard 25–Year Insurance-Backed Warranty Program for JA Solar Modules Effective January 1, 2018 to January 1, 2019

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Warranty Product Brochure

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Key Features

- Designed by PowerGuard Specialty Insurance Services, a program manager specializing in the design of unique insurance and risk management solutions for energy companies
- Insurance policy period: January 1, 2018 to January 1, 2019
- Covers JA Solar modules sold and reported within the policy period for 25 years following the start date, subject to a $500,000,000* Sales Volume Limitation (the value of panels eligible participation in warranty program)
- Insurance purchased through PowerGuard and insured by reputable insurers for enhanced bankability:
    - International Insurance Co of Hannover SE - AM Best Rating: A+ XV. www.inter-hannover.com
    - RSUI Indemnity Co- AM Best Rating: A+ XIII. www.rsui.com
    - *A.M. Best ratings are the references to an insurer's financial strength and ability to meet ongoing obligations to policyholders. A.M. Best Company is a worldwide insurance-rating and information agency with more than 100 years of history.*

*For sales up to $100,000,000 into the Japanese market and $400,000,000 into ROW

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Who is PowerGuard?

- PowerGuard Specialty Insurance Services – Formed in 2007.
- An Oak Hill Investment.
- Leading international provider specializing in the design and underwriting of unique warranty insurance products and solutions in the renewable energy industry, particularly Solar and Wind applications.
- Developed the Exclusive *PowerGuard Solar OEM Program* which now includes over 140 million individual Solar Panels.
- Excess of 50 Gigawatts of solar panels installed around the globe participate in the PowerGuard Program
- Banks around the world have financed Solar Projects using the PowerGuard Warranty Program
- PowerGuard has designed a warranty insurance program for JA Solar.

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Support from PowerGuard Team

- Internal Warranty Training Documents and Webinars
- External Warranty Documents and Webinars
- Deal Team Customer Support
- Deal Team Financial Institution Support
- Module Warranty Verification Website
- Client Web-based Portal
- Claims Support

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Warranty Coverage Highlights

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- Full 25 Years Coverage
- Immediate Coverage (NO Waiting Periods)
- Worldwide Coverage
- Non-Cancellable Policies
- Helps to meet banks and lenders requirements
- 3rd party Bankruptcy rights
- Based on JA Solar ’s warranty statement
- A.M. Best Rating of “A” XIII
- Design Defect coverage
- Third Party Components Covered
- Online Verification System

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Bankruptcy Coverage

- This insurance program is non-cancellable by the insurer for 25 years and provides third-party bankruptcy rights.
- This means that if JA Solar ceases to exist after sale and proper registration of covered modules, JA Solar's insurers must continue to compensate JA Solar's Warranty Holders* for warranty claims against covered and reported modules for product quality and/or performance.
- Customers do not need to work through the Bankruptcy Trustees
- In the unlikely event of JA Solar's insolvency, JA Solar's Warranty Holders can file claims subject to policies' terms, conditions, self-insured retentions and exclusions
- Insurance companies must continue to pay JA Solar's Warranty Holders for valid losses up to the limit of liability

*Warranty Holder is defined as any individual that is qualified to make a demand for remedy of damage in accordance with JA Solar's warranty statement

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Third Party Bankruptcy Rights

Insolvency

Your “Insolvency” shall not relieve us of our obligations under this “Policy”. In the event of your “Insolvency”, your “Warranty Holder” shall have the same rights and obligations under this “Policy” that you have, and the “Limit of Liability” of this “Policy” shall remain in the aggregate for all “Claims” and all “Warranty Holders” combined. However, under no circumstances shall we:

a) Have any liability to the “Warranty Holder” beyond which we would have had to you but for your “Insolvency”.
b) Be deemed to have assumed any obligations under the “Covered Warranty”
c) Have any liability to the "Warranty Holder" within the "Self-Insured Retention" amount. Each "Claim" made pursuant to this Condition E.6 is subject to a separate “Self-Insured Retention”, regardless of any aggregate “Self-Insured Retention that may be part of this “Policy”.

***Taken verbatim from the 2018 PowerGuard Policy Form as purchased by JA Solar**

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JA Solar' s Covered Warranty Statement 1

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- Limited Warranty of Material and Workmanship
  - 12 years for material and workmanship under JA Solar's statement
  - Warranty policy will only cover the first 10 years
  - JA Solar is fully responsible for remaining years
- Limited Warranty of Output Power for 25 years
  - Mono Products
    - Within 1 year output shall not exceed 3%
    - During the next 24 years the degradation will be no more than 0.65% per year
  - Poly Products
    - Within 1 year output shall not exceed 2.5%
    - During the next 24 years the degradation will be no more than 0.7% per year

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JA Solar' s Covered Warranty Statement 2

- Limited Warranty of Material and Workmanship
  - 10 years for material and workmanship
- Limited Warranty of Output Power for 25 years
  - Mono Products
    - Within 1 year output shall not exceed 3%
    - During the next 24 years the degradation will be no more than 0.708% per year
  - Poly Products
    - Within 1 year output shall not exceed 2.5%
    - During the next 24 years the degradation will be no more than 0.7% per year

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Coverage of the Insurance

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- The insurance company will pay for loss incurred:
  - To repair or replace or to furnish financial settlement for damage modules arising from a product defect or underperformance on an **actual cash value basis**
  - It is in accordance with the guarantees contained in JA Solar's covered warranty
  - Subject to Self-Insured Retentions
  - Policy terms and conditions apply
  - Under no circumstances shall the coverage afforded by this policy exceed JA Solar's Covered Warranty Terms

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Insurance Companies

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International Insurance Company of Hannover SE

- A.M. Best Rating *"A+" XV*
  http://www3.ambest.com/ratings/entities/CompanyProfile.aspx?ambnum=86486&URatingId=845972&AltNum=0
- Warranty Period of Coverage: Years 1 through 10
- Limit of Liability for Defects and Performance: $5,000,000
- https://www.inter-hannover.com/

RSUI Indemnity Company

- A.M. Best Rating *"A+" XIII*
  http://www3.ambest.com/ratings/entities/CompanyProfile.aspx?ambnum=12603&URatingId=546723&AltNum=0
- Warranty Period of Coverage: Years 11 through 25
- Limit of Liability for Performance: $4,000,000
- http://www.rsui.com/

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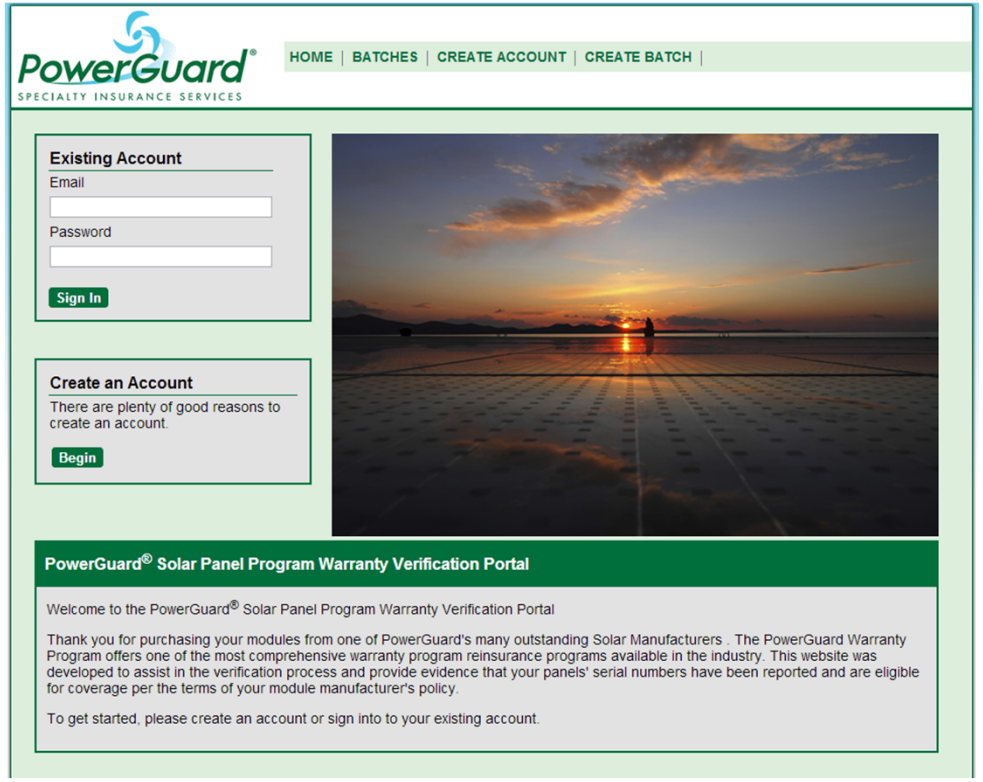
PowerGuard's Panel Verification Website

PowerGuard has implemented an online verification system in which Warranty Holders may verify if the serial numbers of panels is eligible for participation in the warranty insurance program. PowerguardSNVerify.com



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PowerGuard's Panel Verification Website

If your search resulted in any unmatched records, possible reasons for an invalid match could be:

- Inaccurate serial number. Please double check your serial number to ensure accuracy.
- If panels were recently purchased they may not have been reported by the OEM to PowerGuard. Please allow at least 90 days.
- If you believe the results to be in error, please contact your OEM to ensure that they have reported your panels.
- If the panels have been reported by your OEM and are still not in our database, please contact us at report@powerguardins.com

Searched SN	
42152110728312	X
42152110728762	M
42152110728782	M
42152110728790	M
42152110728844	M
42152110728849	M
42152110728922	M

zac.sigler@powerguardins.com
Your batch contained **7** panels.
1 panels went unmatched.

Batch Started :1/30/2018 3:38:57 PM

Batch Completed :1/30/2018 3:39:40 PM

55a01e4d-4d33-45f2-ae12-0a1c9565e045

M = SN Matched X = SN NOT matched

PRINT

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File Edit Format View Help

Results of valid or invalid serial numbers are shown for each batch.

Each batch is logged and retainded with a unique number to avoid any manipulation of the system.

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PowerGuard's Panel Verification Website

1/30/2018 PG

REGISTRATION CERTIFICATE

The PV modules you searched have been reported to PowerGuard® and are eligible for warranty coverage. Powerguard maintains records of batch searches and results of any printed certificate are subject to verification against Powerguard official database results.

zac.sigler@powerguardins.com
Your batch contained **7** panels.
1 panels went unmatched.

Batch Started :1/30/2018 3:38:57 PM
Batch Completed :1/30/2018 3:39:40 PM
55a01e4d-4d33-45f2-ae12-0a1c9565e045

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risen solar technology

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Results of search can be printed for customer's records.
It also contrains a legal disclaimer.

Warranty Claims Reporting

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- **In the event of any loss or damage that may lead to a possible claim, JA Solar or Warranty Holders (in the event that JA Solar is insolvent) shall**
  - As soon as reasonably practicable notify PowerGuard and the insurance company in writing and send written Notice of Claim after the loss or damage.
  - Take all reasonable steps to preserve and salvage the Covered Solar Energy Collection Equipment insured and to minimize the loss.
  - Control all necessary repairs, provided however that such repairs are performed in a proper, reasonable and economical manner.
- **Payment of claim may not be required nor shall action lie against the insurance company until:**
  - JA Solar ***or Warranty Holders (in the event that JA Solar is insolvent)*** has fully complied with all the terms of this policy.
  - JA Solar ***or Warranty Holders (in the event that JA Solar is insolvent)*** has demonstrated that it has or that it will incur losses as evidenced by contracts, loan agreements, qualified estimates or invoices, to repair or replace damaged Covered Solar Energy Collection Equipment with equipment or parts in an amount that is in excess of the Self Insured Retention.
  - The repairs or replacements covered hereunder have been substantially undertaken.
- The claim must be valid as per JA Solar warranty terms and satisfy JA Solar's RMA procedures including satisfactory proof of defect and third party test reports
- The modules must be sold during the policy period and its serial numbers must have been reported to the insurance companies
- **Claims may be adjusted by an independent claims adjustment company appointed by the insurance company and in accordance with the terms of the Policy.**

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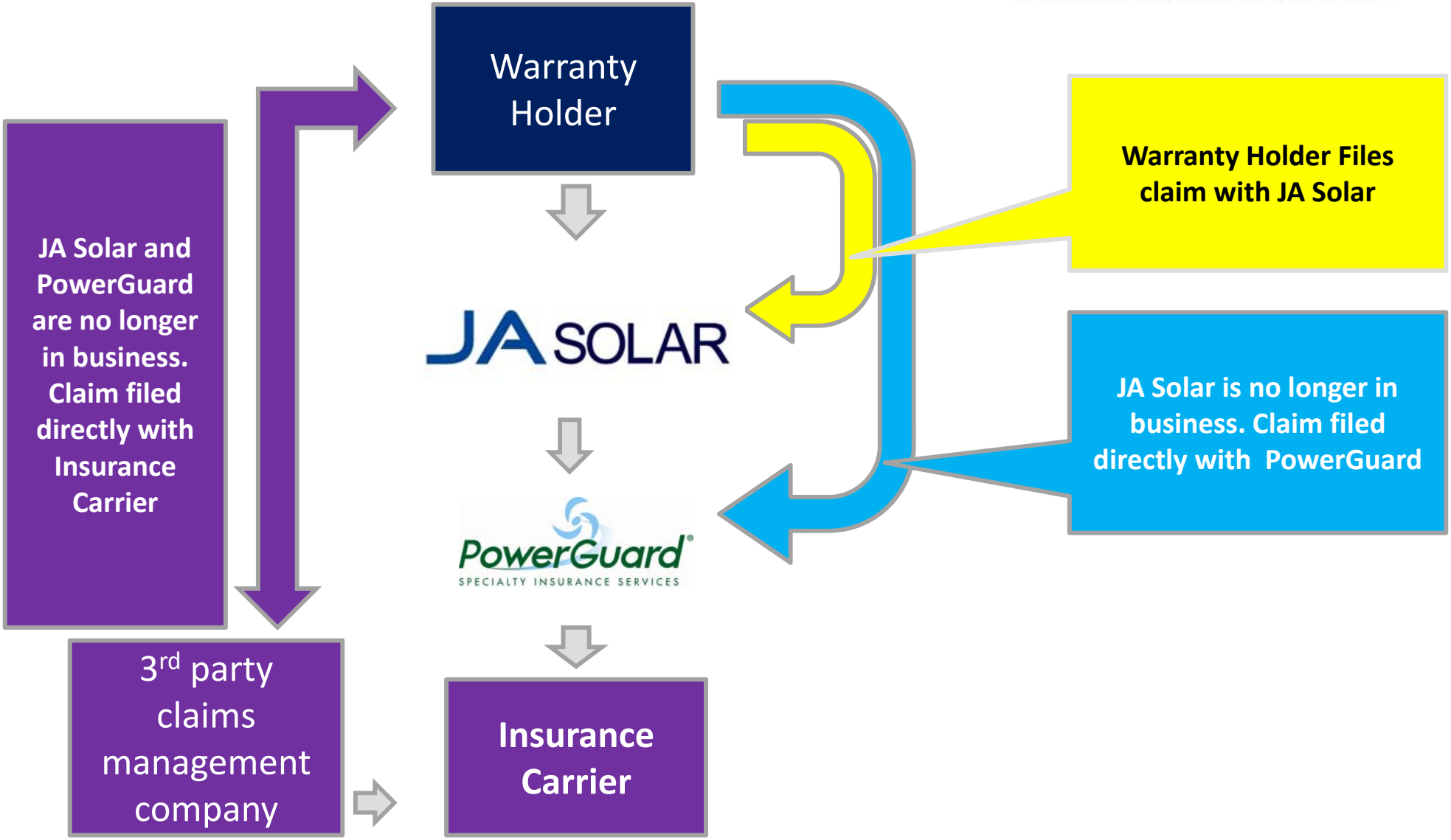
Claims Process



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Notable Definitions

- ***Actual Cash Value*** **:** Means the price at the time of purchase of covered solar Energy Collection Equipment reduced by an amount equal to 4% of that price per each 365 day period following the date of purchase until the conclusion of the twenty-fifth period or replacement cost, whichever is less.
- ***Claim:*** Means a demand make for payment for loss under this policy.
- ***Covered Solar Energy Collection Equipment :***
  - **Includes** : photovoltaic cells, panels and modules that are sold during the Policy Period and for which JA Solar has filed serial numbers with insurance company.
  - **Does not include :** foundation, support apparatus or footings; cabinet, compartment, conduit or ductwork; vehicle or any equipment mounted on a vehicle; low-voltage or high-voltage cables, wires or lines and related equipment carrying electricity from the covered solar energy collection equipment to points external of the covered solar energy collection equipment or data.

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Notable Definitions

- ***Covered Warranty*****:** means a warranty issued to a Warranty Holder during the Policy Period and accepted by the insurer in writing.
- ***Limit of Liability:*** is the maximum amount payable by the insurance company for all insurable losses
- ***Loss:*** means the amounts incurred in the fulfillment of your Covered Warranty that arises from a valid demand for remedy made to you
- ***Product Defect*** **:** means a unit or a part of a component that breaks; ceases to perform the function; fails to conform to technical specifications; is not produced in any material respect in accordance with technical specification; or is not free of defect in material or workmanship.
- ***Self-Insured Retention:*** means the amount that is your responsibility which you shall bear before any payment is made by the insurance company. Self-Insured Retention amounts erode the Limit of Liability.

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Notable Exclusions of the Insurance

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- Any loss arising from a warranty that has not been accepted by the insurance companies
- Any loss arising from direct physical damage
- Any liability for bodily injury and property damage
- Consequential or incidental loss of any kind (loss of revenue, etc)
- Any loss or damage arising from those events specifically excluded under your covered warranty
- Any loss or damage arising from the interruption of service from any covered solar energy collection equipment
- Any loss or damage or expense arising from a willful, tort, or wrongful act, or negligence.
- Any loss where the defect was known to you prior to the sales of the module
- Any loss arising from thin-film and BIPV technologies
- Any loss to or arising from microinverters or optimizers
- Any loss from coloration, discoloration, or module appearances
- Other exclusions are listed in the insurance policies.

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Thank you !

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