



**丘博保险（中国）有限公司**  
**CHUBB INSURANCE (CHINA) COMPANY LIMITED**  
**CHUBB GROUP OF INSURANCE COMPANIES**

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## Policy Summary

<b>INSURED</b>	Changzhou Nesl Solartech Co., Ltd (NESL)
<b>INSURED PRODUCTS</b>	Solar Modules sold to worldwide
<b>POLICY PERIOD</b>	0:00 August 20, 2011 to 0:00 August 20, 2012
<b>POLICY NUMBER</b>	93504878
<b>COVERAGE</b>	<p>Chubb Shanghai (Chubb) Information and Network Technology Errors or Omissions Liability Insurance Claims-Made And Reported (Value Form 75-02-0100)</p> <p>Subject to all of the terms and conditions of this Errors &amp; Omissions (E&amp;O) insurance, Chubb will pay loss by reason of liability:</p> <ul style="list-style-type: none"><li>▪ imposed by law; or</li><li>▪ assumed in an insured contract;</li></ul> <p>for economic injury sustained by an organisation because their property cannot be used or is less useful, because of the failure:</p> <ol style="list-style-type: none"><li>1. of insured's product to perform the function or to serve the purpose intended, due to a defect, deficiency, inadequacy or dangerous condition in insured's product; or</li><li>2. to perform insured's service, in accordance with the terms and conditions of a contract or agreement;</li></ol> <p>caused by an error, unintentional omission or negligent act to which this coverage applies.</p>
<b>MAJOR EXCLUSION</b>	<p>Any damages, loss, cost or expense for the repair, replacement, adjustment, removal, inspection, withdrawal, adjustment or disposal of the solar module.</p> <p>This exclusion does not apply to the economic injury sustained by an organisation because their property cannot be used or is less useful as consequence of the repair, replacement, adjustment, removal, inspection, withdrawal, adjustment or disposal of the solar module.</p>
<b>REMARKS</b>	<p>The Policy is intended to pay a third party organisations financial injury (economic loss sustained by an organisation because their property cannot be used or is less useful) because of defects in a NESL product or a NESL service performance failure. NESL provide warranties that the solar module will be free from defects and operate in a certain manner within 10 years and performance warranties over 12 and 25 year periods. The E&amp;O insurance, if in force when the claim is made, is intended to cover the economic loss sustained by an organisation because their property cannot be used or is less useful as a consequence of operational defects or performance failures.</p> <p>Scenario:</p> <p>NESL provide solar modules to an integrator to be used in the development of a private solar power plant. Standard solar industry warranties are provided including minimum 12 and 25 year performance levels. The private solar power plant operator has a contract to provide certain energy output to another utility company or user.</p>



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Loss Scenario A.

There is a defect in the solar module resulting in the performance efficiency to drop below 80%. The power plant operator is unable to fulfil their contract with the utility to supply promised levels of energy output to meet demands. The utility company claims for compensation because they have to source replacement energy from a more expensive supplier to meet demands.

E&O Policy Response.

If the policy is in force when the claim for compensation is made, the economic injury sustained by the organisation (the utility) because their property (the power plant) is less useful and was caused by a defect in the NESL product, the E&O policy would respond. The E&O policy would not pay for the full replacement cost of the energy, however, it would pay for the increased cost of the replacement energy.

Loss Scenario B

The private power plant operator received feed-in-tariff (FIT) from the local government based upon the clean energy that they are producing. The tax credits are based upon predicted performance output levels and have been pre-sold or traded by the power plant with other less clean businesses. There is a defect in the solar module resulting in the performance efficiency to drop below 80% and as a result they receive less tax credits. The power plant operator is unable to fulfil their contract with the other less clean businesses resulting in a loss of revenue. They seek compensation for the loss of revenue against NESL.

E&O Policy Response.

If the policy is in force when the claim for compensation is made, the economic injury sustained by the organisation (the power plant operator) because their property (the tax credits) are useless or less useful and was caused by a defect in the NESL product, the E&O policy would respond. The E&O policy would pay for the lost revenue resulting from the contract breach with the less clean businesses.

**The loss scenario examples are descriptive only. Actual coverage is subject to the language of the policies as issued. In the event of inconsistency between the information set out above and under Policy No. 93504878. The terms and conditions of the relevant policy will always prevail.**

Chubb Insurance (China) Company  
Limited

Authorized Signature

Signed on August 17, 2011 at  
Shanghai, P.R. China