

## LDK Solar Secure Insurance

### Summary of Terms & Conditions

Your photovoltaic installation is a valuable possession. When purchasing or investing in a photovoltaic installation, there is always a slight risk that the installation could become damaged or even stolen. Replacement or repair would naturally involve costs, which you may not have budgeted for.

We at LDK Solar think it is a good idea for you to take out adequate insurance for your photovoltaic installation, covering damage due to external causes, loss of production due to these damages, but also an insured warranty and cover against damages due to inherent defect. This is why we are the first PV company to offer a unique insurance solution at system level. We are proud to be partnering with Solar Insurance & Finance, a fully mandated underwriter of HDI-Gerling Netherlands for PV insurances.

A choice for LDK Solar Secure PV Insurance with Solarif Insurance & Finance is a choice for peace of mind.

### Introducing Solar PV Installation Insurance

LDK Solar Secure Insurance provides customers with a unique industry leading insurance package combining an operational “All Risk Insurance” with a warranty and inherent defect insurance. It includes a full backup of LDK Solar Product and Power Warranties on PV modules. Additionally, the embedded “All Risk Insurance” applies to all other components of the PV system. It is offered over a specified time period whereupon the customer has the option to extend the cover yearly up to 20 years from the date of installation.

The insurance package is covered by HDI-Gerling Netherlands, an A rated insurance company. As part of their due diligence and as an independent third party, Solarif completed a successful audit on LDK Solar's manufacturing process and product quality.

### Customer Offer

LDK Solar Secure Insurance is offered for all new LDK Solar on-grid modules to customers on an individual project basis. This applies to all system sizes starting from small residential systems up to large utility scale projects. LDK Solar Secure Insurance is offered worldwide except for India and countries where legislation prohibits issuing the Solar PV Insurance.

For all new LDK Solar on-grid modules, customers have a one-year insurance (“value offer”) consisting of the *operational* “All Risk Insurance” and 1 year warranty and inherent defect insurance included on application.

Additionally, LDK Solar offers to upgrade to a two-year insurance package (“professional offer”) consisting of 2 years operational “All Risk Insurance” and 2 years insured warranty and inherent defect on extra charge.

	<b>LDK Solar Value Offer</b>	<b>Upgrade option: LDK Solar Professional Offer</b>
Power Classes	All new LDK Solar on-grid modules: 48 cells: LDK xxx MC, LDK xxx PC; 60 cells: LDK xxx MA, LDK xxx PA; 72 cells: LDK xxx PBFW.	All new LDK Solar on-grid modules: 48 cells: LDK xxx MC, LDK xxx PC; 60 cells: LDK xxx MA, LDK xxx PA; 72 cells: LDK xxx PBFW.
Power Warranty	4-step Power Warranty: 94% 5 years / 90% 11 years / 85% 18 years / 80% 25 years	Linear Power Warranty
<b>LDK Solar Secure</b>	<b>1 year</b>	<b>2 years</b>
Product Warranty	10 years	12 years

## Customer Benefits

LDK Solar Secure Insurance policy includes the following advantages:

- 100% cover of all LDK Solar on-grid modules; maximum project size 100 Mio €. In the USA and Canada projects should be at least 1 MWp;
- 100% transparent and easily understood terms and conditions allowing banks and other interested parties greater visibility of the policy;
- Solarif audited and certified LDK Solar product quality, reinforcing bankability and bank financing;
- Compensation of production loss during warranty exchange period;
- Coverage of labour and associated transport charges for module replacement in case of a valid warranty claim;
- Insurance coverage maintained even in the event of manufacturer bankruptcy.

## LDK Solar Secure Coverage

### Operational Insurance

This covers damage resulting from the following examples:

- fire including scorching, melting, charring and smouldering;
- normal forces of nature, such as hail, wind, storm, snow load and freezing;
- lightning strike, causing overvoltage and/or current spike explosion;
- third party intervention such as theft (also without leaving traces), vandalism & sabotage;
- operational mistakes and negligence;
- moisture and water ingress;
- cables damaged by animals chewing or biting.

In case of a valid claim, the normal cost of recovery incurred in returning the damaged photovoltaic installation or affected component to an operational state shall be compensated, including costs of labour and associated transport charges, up to a maximum of the new value at the time of damage up to a maximum of the original purchase price.

### **Inherent defect / warranty option insurance**

With this additional cover you are insured against:

- sudden and unforeseen damage arising from or caused by an inherent defect of one of the following items itself, with the exclusion of any damage that is recoverable under terms of any existing warranty extended by the supplier, manufacturer or any other party:
  - the solar panels, up to 20 years after the date of first commissioning;
  - the inverters, up to 7.5 years after the date of first commissioning.
- loss of production due to damage as result of an inherent defect, up to a maximum period of 26 weeks;
- loss or damage of panels and/or inverters as a result of inherent defect in case a warranty claim is rejected by the supplier, manufacturer or any other party by means of a written substantiation, or if liability is disputed wholly or partially;
- loss or damage of the panels and/or inverters as a result of inherent defect in case the supplier, manufacturer or any other party has failed to fulfil its warranty obligations due to bankruptcy;
- in the event of a valid claim, labour costs and associated transport charges are also insured.

For more information, please see the clause Inherent defect / warranty in the policy terms and conditions.

### **Compensation for loss of production**

In case of damage a daily rate of compensation per kilowatt-peak installed capacity will be paid for a maximum period of 26 consecutive weeks. The daily rate of compensation per kilowatt-peak installed capacity shall be depending on the geographic latitude of the PV installation and on the time when the production loss is occurring:

Geographic Latitude of installation	between 1 April - 30 September	between 1 October - 31 March
Northern Hemisphere	€ 2.50	€ 1.50
Southern Hemisphere	€ 1.50	€ 2.50
Equatorial Regions	€ 2.00	€ 2.00

### **LDK Solar Secure Insurance additional benefits**

This insurance provides also cover for the following costs and/or risks:

- sue and labour costs in excess of the sum insured of the component concerned, up to a maximum of 50% of the sum insured of that item;
- debris removal costs in excess of the sum insured of the component concerned, up to a maximum of 20% of the sum insured of that item;
- extensions to existing installation realized during the current period of insurance and which have not yet been reported to the insurer, up to 20% in excess of the sum insured;
- spare parts for the installation that are stored in a steel container or a building of stone/brick, locked appropriately, on the premises on which the insured items are situated are similarly insured, up to a maximum of € 25,000 per event;
- costs of removing and repositioning the photovoltaic installation, if buildings or structures are damaged due to a covered external cause and repair cannot be carried out due to the position of the photovoltaic installation on the building or structure, up to a maximum of € 15,000 per event;
- natural disasters, solely for Section I\* and only for The Netherlands, Belgium, Luxembourg and Germany. Other countries on request against an additional premium;
- risks during transport and/or storage of parts that have to be repaired elsewhere, up to a maximum of € 25,000 per event;
- extra expenses for overtime and/or express shipments made to expedite the repair, up to 10% of the claim amount up to a maximum of € 5,000 per event extra expenses for road surfaces, temporary or otherwise, necessary to realize the repair of damaged photovoltaic installations, up to 10% of the claim amount up to a maximum of € 5,000 per event;
- cover of damage to buildings or structures on/to which the photovoltaic installation is fitted, up to a maximum of € 25,000 per event, provided said damage is not covered otherwise;
- extra expenses to compensate for an incompatibility caused by an unavoidable technical difference between the existing and replaced equipment, up to a maximum of € 25,000 per event;
- costs of detecting and locating damage, up to 10% of the claim amount up to a maximum of € 10,000 per event, provided damage covered by insurance is found;
- costs of transporting the damaged solar panels to the nearest PV CYCLE collection point or a similar organization, as part of the debris removal costs.

\* Section I is located in the Policy Terms and conditions (Article 5.2)

### **Exclusions from cover**

Nuclear reactions, earthquake, volcanic eruption, flooding, wind storms with speeds above 119 km per hour (such as hurricane, typhoon and tornado), terrorism and malicious contamination, acts of war, wilful act, experiments and tests, aesthetic damage, collapse or subsidence, revision, modifications and improvements, wear and tear, corrosion and oxidation and deterioration of solar panels.

Also excluded from cover are damages arising from the collapse or subsidence of buildings, floors and/or foundations, unless:

- a load-bearing calculation shows that the structure in question can carry the photovoltaic installation without any problem, even when snow load is taken into account;
- the installed capacity of the photovoltaic installation is 25 kWp or less.

### What's insured

Your photovoltaic installation(s), if and insofar as included in the insured value:

- solar panels and inverter(s) / transformer(s);
- foundations, load-bearing structures and fencing;
- mounting material and cabling;
- associated buildings and cabins;
- surveillance / security equipment;
- accessories.

### Deductible

Damage (per event)

Insured value of installation		Deductible	Minimum	Maximum
€ 0	- € 50.000	€ 125	N.D	N.D
€ 50.000	- € 1 Mio	10 %	€ 125	€ 1.000
> € 1 Mio	- € 5 Mio	10 %	€ 1.000	€ 2.500
> € 5 Mio	- € 10 Mio	10 %	€ 2.500	€ 5.000
> € 10 Mio	- € 100 Mio	10 %	€ 5.000	€ 10.000
> € 100 Mio	-	customized		

In case of theft the deductible for ground based installations is not maximized.

### Loss of production

The policy is subject to a waiting period of 7 days, starting from the moment the damage is reported to Solarif.

### Area of coverage

All countries in the world except India and countries where legislation prohibits issuing the Solar PV Insurance. United States of America and Canada are included, but only for PV installations of at least 1 MWp.

## How it works

Due to the varying risk profiles for each country and even region customers need to apply directly to Solarif with their specific project before the commissioning of the installation and then will receive either a certificate or an individual policy document from Solarif based on the specific facts of the project.

Depending on the size of the individual project there are two ways to apply for the insurance:

### 1. Online-application for residential and commercial PV systems <300 kWp:

Either the installer of the PV system, the end-customer or investor can apply using the application-form which is provided at the internet link

[http://www.ldksolar.com/pro\\_module\\_warranty\\_insurance.php](http://www.ldksolar.com/pro_module_warranty_insurance.php)

At a later stage an online-application-tool will also be available at this link.

### 2. Application-form for larger commercial systems or free-field plants >=300 kWp:

At the internet link

[http://www.ldksolar.com/pro\\_module\\_warranty\\_insurance.php](http://www.ldksolar.com/pro_module_warranty_insurance.php)

the end-customer with a large project can download the application form and send it to the email address [LDKSolarSecure@solarif.com](mailto:LDKSolarSecure@solarif.com) together with a project plan or investment summary and if available together with a security plan.

After the initial starting period of one year which is covered within the LDK Solar module price the customer is able to prolong both, the operational and the Inherent defect and Warranty option up to 20 years according to their own individual risk assessment.

All customers who prolong their insurance package after the LDK Solar initial coverage will profit from the beneficial insurance rates which LDK Solar have negotiated through our large volume purchasing power.

## Terms and Conditions

Solar PV Insurance 4.0 Terms and Conditions

### Demands (minimum insurance requirements)

#### General

- The solar panels must meet IEC standards 61215 and 61730;
- The solar panels and inverters must be covered by a product warranty of at least 5 years;
- The installation of the photovoltaic system must be carried out by a qualified installer or EPC-contractor.

For security demands, please take notice of **Appendix 1** "Security demands"

### **Special provisions**

Installations on roofs containing hay and/or straw, fire-sensitive activities or storage occurring beneath the installation can be covered by paying an additional premium of 0.04%, but the sum insured is capped at € 400,000 per installation.

### **Premium**

The premium shall be calculated based on the total invoice amount (new value) for the installed installation(s), including installation costs and VAT (if the VAT cannot be offset). The premium does not include policy costs, insurance tax and any legal or fronting fees.

### **Contract term**

The contract shall be for an initial period of one year, being renewed automatically thereafter for a subsequent period of 12 months, unless either party gives written notice of cancellation at least 2 months before the contract expiry date. The operational "All Risk Policy" can be renewed up to a maximum of 25 years from date of installation. The inherent defect/warranty option can be taken out on yearly basis for up to a maximum of 20 years from date of first commissioning of the panels.

### **Authorised Agent**

Solar Insurance B.V.

### **Insurance company**

HDI-Gerling Verzekeringen N.V. (HDI-Gerling Insurances N.V.)

### **More information**

For more information about LDK Solar and LDK Solar Secure Insurance, please visit us on the LDK Solar website [www.ldksolar.com](http://www.ldksolar.com). Here you'll also find the full Insurance Policy for download.

If you have any questions or inquiries, please contact LDK Solar via email [LDKsolarSecure@ldksolar.com](mailto:LDKsolarSecure@ldksolar.com).

### **About LDK Solar (NYSE: LDK)**

LDK Solar Co., Ltd. (NYSE: LDK) is a leading vertically integrated manufacturer of photovoltaic (PV) products. LDK Solar manufactures polysilicon, mono and multicrystalline ingots, wafers, cells, modules, systems, power projects and solutions. LDK Solar's headquarters and principal manufacturing facilities are located in Hi-Tech Industrial Park, Xinyu City, Jiangxi Province in the People's Republic of China. LDK Solar's office in the United States is located in Sunnyvale, California.



In Europe LDK Solar is represented with its Headquarters in Zurich, Switzerland and has offices in Germany, Italy, Spain, France and the UK managing Sales, Marketing and Customer Service.

### **About Solarif**

Solarif is an internationally operating, independent insurance broker based in the Netherlands. Solarif is a fully mandated underwriter of HDI-Gerling Netherlands for PV insurances. Together with their local partners Solarif has insured more than 1.1 GW worldwide and is completely dedicated to insure solar PV. In other words: experts in all risks concerning PV projects. For more information about Solarif, please visit [www.solarif.com](http://www.solarif.com).

## **Appendix 1**

### **“Security demands” of LDK Solar Secure Insurance**

Further demands for rooftop and ground based installations and additional requirements.

#### **Rooftop installations**

- **Installations with insured value > € 250,000**
  - Protection against overload/overvoltage must be installed.
- **Installations with insured value > € 500,000**
  - Protection against overload/overvoltage must be installed;
  - Protection against lightning strike must be installed.
- **Installations with insured value > € 500,000 or located in high risk areas**

High risk areas concerns areas with a higher risk of theft than in a West European country such as Germany.

  - Protection against overload/overvoltage must be installed;
  - Protection against lightning strike must be installed;
  - PV modules must be located on a rooftop with a height of at least 4 m;
  - All inverters must be placed inside the building;
  - The building must be surrounded by a vandalism proof, metal fence of at least 2 meters high with climb-over protection. Any gates within the fence must have at least the same break and entry delay factor as the physical fence;
  - The building and installation must be protected by an alarm system. The alarm system must provide uninterrupted blanket detection coverage, verification and communication in the event of any unauthorized intrusion by perpetrators;
  - The alarm system(s) must be connected to a permanently manned security centre and activated (automatically) in the event of unauthorized intrusion and failure or sabotage attempt of the alarm system;



- The remote monitoring system must be able to alarm in a precise and organized manner local response teams or governmental security agencies and summon them to the system in order to guarantee the security objective;
- Any alarm must be followed by a physical inspection of the complete PV-installation site within 30 minutes;
- Cables must be installed in such a way (looped) that it is impossible to take them out in the full length at one time.

### **Ground based installations**

- **Installations with insured value < € 250,000**

- The inverter(s) is (are) installed at least 40cm above the ground;
- Within the fenced area, vegetation around and beneath the installation must be removed on a regular basis;
- The installation must be surrounded by a fence of at least 1.70 meters high or the solar panels are fitted with anti-theft nuts and bolts.

- **Installations with insured value from € 250,000 upto € 1,000,000**

- The inverter(s) is/ are installed at least 40cm above the ground;
- Within the fenced area, vegetation around and beneath the installation must be removed on a regular basis;
- The installation must be surrounded by a vandalism proof, metal fence of at least 2 m high with climb-over protection. Any gates within the fence must have at least the same break and entry delay factor as the physical fence;
- Cables must be installed in such a way (looped) that it is impossible to take them out in the full length at one time. Furthermore the cables must be shielded by metal casing or buried underground;
- Protection against overload/overvoltage must be installed.

- **Installations with insured value > € 1,000,000 or located in high risk areas**

High risk areas concerns areas with a higher risk of theft than in a West European country such as Germany.

- The installation must be surrounded by a vandalism proof, metal fence of at least 2 m high with climb-over protection. Any gates within the fence must have at least the same break and entry delay factor as the physical fence;
- Within the fenced area, vegetation around and beneath the installation must be removed on a regular basis;
- Cables must be installed in such a way (looped) that it is impossible to take them out in the full length at one time. Furthermore the cables must be shielded by metal casing or buried underground;
- The total PV-installation must be protected by an alarm system with motion detection and video cameras. The alarm system must detect all boundaries of the fenced area without any blind spot and provide uninterrupted blanket detection coverage, verification and communication in the event of any unauthorized intrusion by

perpetrators into the area of the system. The motion detection cover must be at least 2 m high from the ground up without any blind spot. The cameras must be fitted on a pole at least 5 m high and must be able to provide clear images day and night;

- If there are no security personnel permanently on site able to investigate security system warnings triggered (alarms and signs of life signals) within a very short space of time, the alarm system(s) must be connected to a permanently manned security centre and activated (automatically) in the event of unauthorized intrusion and failure or sabotage attempt of the alarm system;
- The remote monitoring system must be able to alarm in a precise and organized manner local response teams or governmental security agencies and summon them to the system in order to guarantee the security objective;
- Any alarm must be followed by a physical inspection of the complete PV-installation site within 30 minutes;
- Cover of (attempted) theft or vandalism is only provided within the boundaries covered by the motion detection;
- All inverters must be placed in a locked cabin made of metal or stone, protected with an internal fire and motion detection alarm system;
- Protection against lightning strike must be installed;
- Protection against overload/overvoltage must be installed;
- An annual maintenance contract or active monitoring inclusive corrective maintenance and cleaning throughout the duration of the insurance must be signed. The maintenance is to include at least the following aspects:
  - Visual and technical inspection of the plant (control of stability, corrosion, damage, etc.);
  - Verification of operation (output, solar panels and inverters);
  - In case of deficiencies the policyholder is obliged to undertake within the shortest possible time action to repair the deficiencies;
  - Maintenance must be documented and the insurer should have the possibility to consult these documents;
  - If during the inspection excessive contamination (pollution) is found on the panels or inverters, then the necessary cleaning has to take place.
- **Installations with insured value > € 5,000,000 and located in high risk area\***

High risk areas concerns areas with a higher risk of theft than in a West European country such as Germany.

The same provisions stated above (Installations with insured value > € 1,000,000 or located in high risk areas) apply, with the additional requirement:

- 24 hours / 7 days per week (armed) security personnel on site.

\* deviations in consultation with insurer

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