Prospectus – PHOTOVOLTAIC PANEL WARRANTY INSURANCE POLICY

Scope

Photovoltaic Sales & Buyer Cover protects the balance sheet of the PV module sellers as well as investments of the buyer.

This policy provides the PV manufacturers an important competitive edge i.e. the PV buyers value the manufacturer's commitment towards financial solidity and planning security to get long term coverage regardless of the financial situation and solvency condition of the manufacturer. In case of insolvency of the PV module manufacturer, the coverage can be transferred to the PV buyers. This efficient mechanism ensures that PV modules are covered during entire operational period of the modules.

Coverage: Photovoltaic Sales and Buyer Cover

i. Section A: Photovoltaic Sales Policy
This section insures the sales contracts of the PV module manufacturer. During the Indemnity Period if an event occurs due to a Breach as defined under the policy, then the insurer will indemnify the Insured on account of loss directly resulting from such Breach. In this structure the manufacturer can choose as which sales contract that is to be insured.

ii. Section B: Photovoltaic Buyer Policy
This section works like the Section 1 but allows the Buyers of PV modules to claim to the Insurer directly in the event of the manufacturer's insolvency. The beneficiary under this section of the policy is the PV module buyer.

Each Sales Contract, and therefore each Buyer, has a clearly assigned limit and deductibles, increasing the bankability of the project. Thus, provides dedicated limit to each sales contract and effectively excludes situation of "first come, first serve".

Please find the definition of "Breach" below:

a) A claim by a Buyer under the Performance Warranty directly resulting from an unforeseen decrease in power output of the Actual Module Performance below the Insured Module Performance level 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 XYZ.

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.

Scope of Indemnity

With regard to the Performance Warranty:

The lesser of:

- the Repair Costs; or
- 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
- 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
- the Refund Costs
- the Actual Cash Value of the defective Photovoltaic Modules.

With regard to the Product Warranty:

The lesser of:

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

Exclusions

This Policy excludes:

- 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.
- 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;
- any failure in quality control as specified in the Insured quality handbook and work instructions controlled by means of ISO-9000/9001;
- 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;
- any inverters, cables, trackers, module level electronics, fastening systems or objects for mounting or transporting any Photovoltaic Module;
- any installation, dismantling, removal, transportation, reassembly or modification of Photovoltaic Module;
- 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 (name of the certificate which contains specifications) any defects shall not be considered as design defect.

- any misuse, abuse, neglect or accident, inadmissible alteration, improper installation application, or nonobservance of the Insured's installation and maintenance instructions, repairs or modification of the Photovoltaic Module.
- 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.
- Cost incurred for transportation and installation (This exclusion will not apply in case insured has opted for the "Cost for dismantling, installation and transportation of the underperforming insured modules" add-on cover)

The following Exclusions shall apply to Indemnification of Contractual Penalties:

A) Any sudden physical loss or damage sustained to the Photovoltaic Modules (including but not limited to fire, explosion, aircraft impact and any type of natural catastrophe);

B) Any energy production shortfall resulting from:
   a. Any restrictions of access or otherwise to the Insured Project site imposed by a civil authority or a government whether central or local;
   b. Any erasure, loss, distortion or corruption of information on computer systems or other records or software programs; or
   c. Any loss during any idle period, including but not limited to when production, operation or service would cease, or would not have taken place or would have been prevented due to:
   d. Planned or rescheduled shutdown,
   e. Strikes or other work stoppage, or
   f. Any other reason other than related to repair or replacement of underperforming Photovoltaic Modules insured by this Policy.

C) Contractual Obligations in respect of:
   - Lack of Sun, or
   - Network availability.

Sum Insured

The value of all sales contract which shall be the sum of all Purchase Price/s of all Insured Module/s (net) as endorsed to this Policy on the basis of the Notification of Insured Modules

Policy Limit

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 Policy Limit. It shall apply in excess of the Deductible and the SelfInsured Retention and any payment of Loss shall erode the Policy Limit.

Premium

Premium chargeable depends on various factors like purchase value of module, indemnity period, PV module's manufacturing process as well as terms defined in policy structure

Termination of Insurance

The insured can cancel the policy at any time during the term, by informing the company.

The company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the policyholder.

The company shall –

i) refund proportion premium for unexpired policy period, if the term of the policy is upto one year and there is no claim(s) made during the policy period. ii) refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

Grievance Redressal Procedure:

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre(IGCC) at their toll free no. 1800 4254 732 / 155255.

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdai.gov.in, or on the Company's website at www.icicilombard.com.

STATUTORY WARNING PROHIBITION OF REBATES
(Under Section 41 of Insurance Act, 1938) (Amendment Act 2015)

1. No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to [take out or renew or continue] an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing [or continuing] a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

Provided that acceptance by an insurance agent of commission in connection with a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.