

ASTRONERGY'S REINSURANCE COVERAGE

Provided by Munich Re

THE POWER OF ASTRONERGY

A **CHNT** COMPANY



ASTRONERGY

ASTRONERGY OBTAINS MUNICH RE REINSURANCE COVERAGE FOR CRYSTALLINE & THIN FILM PV MODULES

Who is Munich Re?

Founded in 1880 in Germany, Munich Re Group is currently the world's largest risk-management entity dealing in reinsurance, primary insurance, healthcare, and asset management. With a combined premium income of €45.5 billion in 2010; assets of €193 billion, and 47,000 employees around the world, Munich Re has a long history of financial stability: Munich Re was the only insurance company present in San Francisco to remain solvent after the city's devastating 1906 earthquake, and, even after the recent financial crisis, was ranked 71st on Fortune's 2010 Global 500 ranking—confirming the financial stability and agility of this heavyweight.



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What is power-loss reinsurance?

The degradation of power output from crystalline photovoltaic modules over time is well-understood. Astronergy guarantees a power loss of no more than 10% of the original power rating within 10 years and no more than 20% within 25 years. Munich Re reinsurance underwrites these guarantees in order to reduce the potential risk for investors and customers of Astronergy's photovoltaic systems. If modules perform at levels below those guaranteed by Astronergy because of faulty manufacturing, material defects, or material aging; and in the highly-unlikely event that a catastrophic setback prevents it from honoring resultant claims itself, Munich Re will pay in its stead for the full duration of the module warranty up to year 25. This insurance is non-removable: even if Astronergy is no longer solvent or existing—a risk it certainly seeks to minimize—Munich Re is obligated to resolve claims of underperformance of Astronergy modules.

Why did Astronergy partner with Munich Re?

Astronergy's parent company is Chint, which has become one of the dominant players in the electric and photovoltaic industries since its founding in 1984. With the financial strength of a heavyweight mother company, Astronergy's warranties are already valuable and significant compared to other pure module manufacturer with limited assets only. The reinsurance of this guarantee by Munich Re is a powerful validation of the strength, product quality, and balance sheet of Chint and Astronergy. Munich Re is famous for its strict reinsurance requirements; in fact, Astronergy is currently the only Chinese manufacturer to announce officially their fulfillment of the stringent Munich Re criteria for a full production module power reinsurance policy for crystalline-silicon modules. Furthermore, Astronergy is currently the only manufacturer in the world to have Munich Re reinsurance coverage for both thin-film and crystalline modules.

How does Munich Re compare with other reinsurance providers?

	Munich Re (MuRe)	Other Reinsurers
Net reinsurance premiums written, 2009 (\$US millions) ¹	\$32,768	Top 10 median: \$9,175
Length of coverage	Years 5 to 25 (Astronergy)	up to 10 years, but no full coverage
Type of analysis	Both financial and technical	Limited financial analysis only
Insurance expiration	Irrevocable; manufacturer unable to cancel insurance for the full 25 years	Renewed yearly; manufacturer can cancel insurance at any time
Optional investment insurance	Yes (called Option Cover)	Limited
Coverage of series-power losses	Unlimited, complete production volume.	Limited
Selectivity in offering insurance	Highly selective based on financial and technical risk	Granted to all companies who pay premiums
Meeting availability for investors and bankers	Experts available worldwide	Limited
Volume of coverage	Entire production volume	Often limited to partial volumes or specific production cycles

¹ Insurance Information Institute

What does it mean for me?

Reinsurance adds nothing but comfort to the relationship between customers and Astronergy. Rest easy that Munich Re's reinsurance coverage confirms what Astronergy already knew: that it truly is a world, Tier 1 player in solar energy. In the event that a module does not perform as guaranteed, claims will be addressed to your sales representative as usual. If, after reviewing the claim, the device has failed to perform to specifications, Astronergy will pursue one of two options: firstly, to repair, replace, or supplement the module; or secondly, to offer the customer financial compensation. Only if Astronergy is unable to honor claims, Munich Re will offer financial compensation to the customer.

Monocrystalline modules use single-crystal silicon cells to achieve maximum solar efficiency. Modules created in 2011 or 2012 are guaranteed from their customer invoice date:

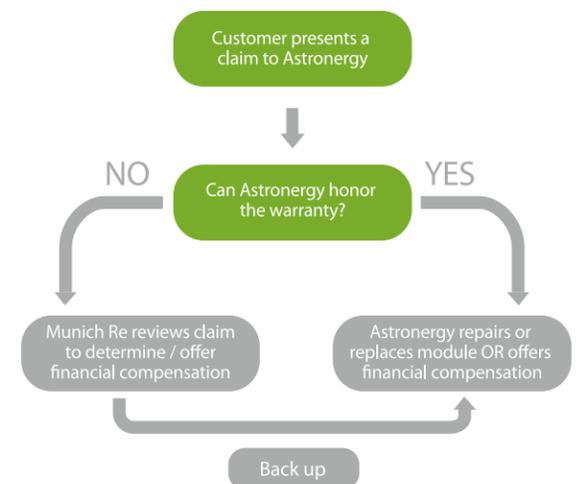
- CHSM 5409 M
- CHSM 5611 M
- CHSM 5612 M
- CHSM 6609 M (BF)
- CHSM 5612 M (BL)
- CHSM 6609 M
- CHSM 6610 M
- CHSM 6610 M (BL)

Polycrystalline modules use a simpler raw material manufacturing process, achieving a cost optimized performance/cost level having the same guarantees as monocrystalline cells.

- CHSM 6609 P
- CHSM 6610 P
- CHSM 6611 P
- CHSM 6612 P

Thin-film modules use a very thin coating of silicon on glass to further reduce cost-per watt. Modules created after July 1st, 2010 are guaranteed from their customer invoice date.

- CHSM 5001 T
- CHSM 5011 T
- CHSM 5021 T



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