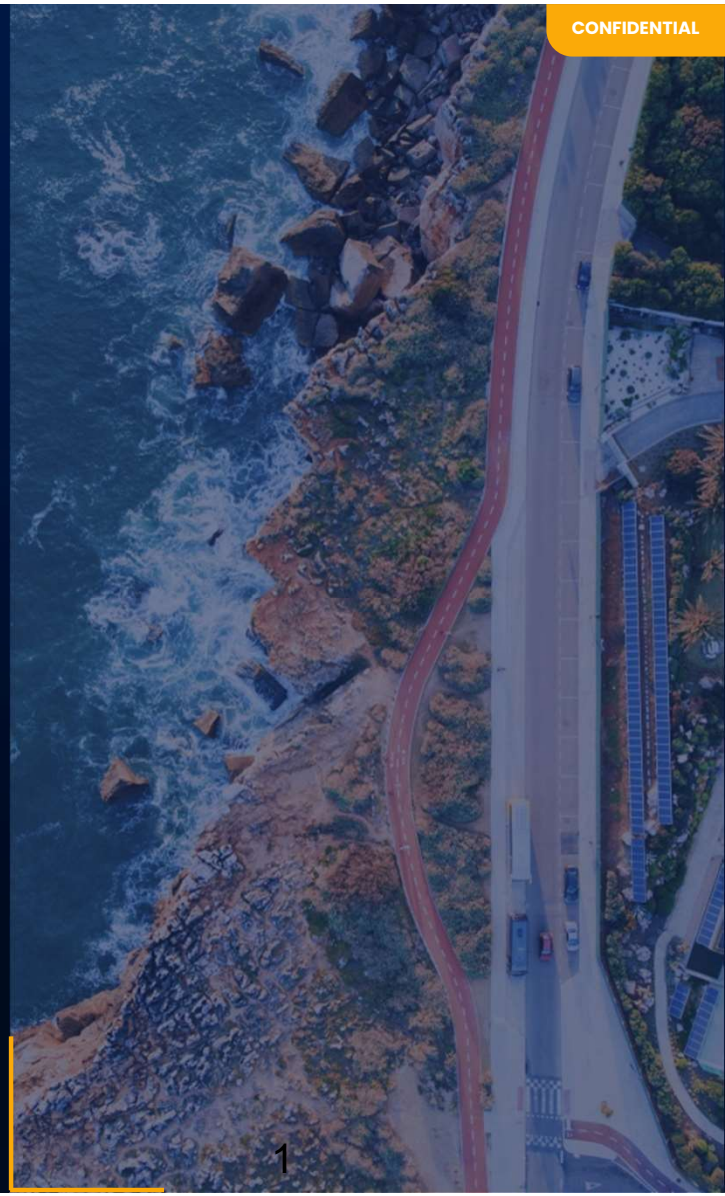
DESCARTES

CONFIDENTIAL

Parametric Hail

Index-based coverage for solar



Parametric Insurance *contracts are based on an index, or metric.*

Once the predefined index is reached, coverage is triggered, the insured is eligible for a loss payment.

Rapid and predictable claims payment

New(ish) tool for mitigating high-severity claims scenarios

Transparent and predictable claims process.

Liquidity post catastrophic event

Parametric vs Indemnity (ISO Forms)

Payout Mechanism - parametric pays out a predetermined sum based on the occurrence of predefined triggers.

Immediate Liquidity - Near immediate payout (inside of 1-month). Cash-flow stabilization post event. Alternative to credit facilities in a high interest rate environment.

Named Perils - Parametric insurance provides rapid payouts and greater certainty but is limited to certain perils and requires reliable data.

Basis Risk- The delta between actual loss sustained, and the triggered loss payment.

A balanced risk transfer portfolio has both indemnity and index-based products.

Payout structure determinants

MODULES RESISTANCE
- Front glass thickness
- Hail test certification
- Cell composition

MITIGATION PROTOCOLS
- Stowing
- Trackers
- Monitoring and control systems

ENGINEERING ANALYSIS
- Catastrophic risk assessments
- Estimated Cumulative Losses over Hold Periods

EXAMPLE

JINKO Solar Modules (JKM395M-72HL-T)

- 3.2 mm front glass
- IEC 61730 and UL1703 certifications

Nextracker Horizon + Navigator

- Stows in 2-3 min
- No grid power required
- Automated or human triggered
- 60° stow standard, 75° available

VDE – Catastrophic risk assessment

Table 1.2 Summary of Average Annual Losses over Hold Periods

	5-year hold		
Tilt (degrees)	>=50mm	>=55mm	>=60mm
0	$2.18	$1.55	$0.87
50	$0.20	$0.19	$0.12
52	$0.12	$0.12	$0.08
60	$0.03	$0.03	$0.02

The panels can resist to larger hailstones
-> **HIGHER ATTACHMENT POINT**

CALIBRATE THE PAYOUT STRUCTURE

Payout structure determinants

Hail size (In)	Payout
0.00 <= d < 2.00	0.00%
2.00 <= d < 2.50	5.00%
2.50 <= d < 3.00	25.00%
3.00 <= d < 3.50	50.00%
3.50 <= d	100.00%

EXPECTED LOSS: 2.8 M

More resistant panels

Hail size (In)	Payout
0.00 <= d < 2.50	0.00%
2.50 <= d < 3.00	5.00%
3.00 <= d < 3.50	25.00%
3.50 <= d < 4.00	50.00%
4.00 <= d	100.00%

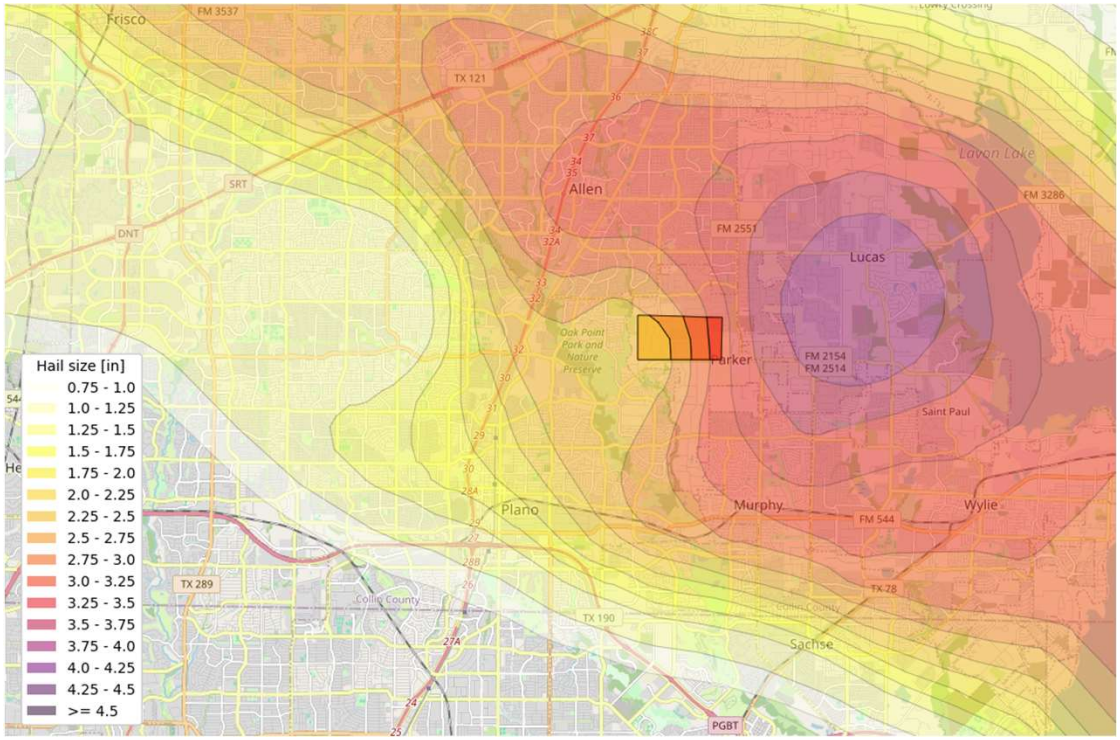
EXPECTED LOSS: 1.5 M

Calibration with report

Hail size (In)	Payout
0.00 <= d < 2.50	0.00%
2.50 <= d < 2.75	10.00%
2.75 <= d < 3.00	25.00%
3.00 <= d < 3.25	50.00%
3.25 <= d < 3.50	75.00%
3.50 <= d	100.00%

EXPECTED LOSS: 1.8M

Payout structure determinants



Hail Size (in)	Area Impacted	Hail Size Payout	Payout (%)
2.25	33.35%	0.00%	0.00%
2.5	28.63%	10.00%	2.86%
2.75	23.16%	25.00%	5.79%
3	14.86%	50.00%	7.43%
TOTAL			**16.08%**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