

AMENDED AND RESTATED BYE-LAWS

Of

NUCLEAR ELECTRIC INSURANCE LIMITED

As approved June 8, 2023

INTERPRETATION

1. In these Bye-Laws, unless there is something in the subject or context inconsistent therewith:

"Act" means The Companies Act 1981 and any amendments thereto.

"Aggregate Premiums" means all gross risk transfer premiums paid by a Member and earned by the Company, its subsidiaries, and predecessors, including Nuclear Mutual Limited, for all Policies issued prior to June 17, 1997, and under all designated Member Insurance Programs.

"Annual General Meeting" has the meaning set forth in Bye-Law 10.

"Board" means the Board of Directors of the Company or the Directors present at a meeting of the Directors at which there is a quorum.

"Companies Acts" means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company.

"Company" means Nuclear Electric Insurance Limited, as the amalgamated company following the amalgamation of Nuclear Electric Insurance Limited and Nuclear Mutual Limited on 31 December 1997.

"Directors" means the members of the Board for the time being.

"Indemnified Person" means any Director, Officer, Resident Representative, member of a committee duly constituted under these Bye-Laws and any liquidator, manager or trustee for the time being acting in relation to the affairs of the Company, and his heirs, executors and administrators.

"insure" or "insurance" shall be construed to include reinsurance, coinsurance and counter insurance of all kinds.

"Member Insurance Program" means such program as the Board shall from time to time designate as a Member Insurance Program under which Members shall be insured or reinsured by the Company or a subsidiary of the Company.

"Members" means at any stated time all the persons who are then members of the Company.

"Membership" means all the rights, privileges, duties and obligations of a person who is then a Member.

"Month" means calendar month.

"Non-Voting Member" means Members so designated pursuant to Bye-Law 4(2) and the Directors, subject to Bye-Law 19(4).

"notice" means written notice unless otherwise specifically stated.

"Nuclear Site" means the principal physical location insured under a policy within a Member nuclear insurance program of the Company or a subsidiary.

"Officer" means a person appointed by the Board pursuant to these Bye-Laws and shall not include an auditor of the Company.

"Other Insurance Program" means such program as the Board shall from time to time designate to be underwritten other than a Member Insurance Program.

"Outside Director" means a Director who is not a former or current employee or Board member of a Member-utility or affiliated company.

"Policy" or "Policies" means any such contract or contracts of insurance as the Company or a subsidiary of the Company may issue from time to time.

"Policyholder Insurance Record" means the record calculated and maintained by the Company under Bye-Law 51.

"Policyholder Percentage" is used to determine, in part, the amount a Member would receive of any distribution of the Company and is calculated by adding together the then current Policyholder Insurance Records for a Member's Nuclear Sites and for its participation in the Member non-nuclear insurance program, then dividing that amount by the then current Policyholder Insurance Records for all Members.

"Record Date" means the date as determined pursuant to Bye-Law 18.

"Registered Office" means the registered office for the time being of the Company.

"Register of Directors and Officers" means the Register of Directors and Officers of the Company for the time being maintained by the Company.

"Register of Members" means the Register of Members of the Company for the time being maintained by the Company.

"Reserve Fund" means the reserve fund referred to in the Memorandum of Association.

"Resident Representative" means any person appointed to act as resident representative and includes any deputy or assistant resident representative.

"Resolution" means a resolution of the Members passed at a general meeting in accordance with the provisions of these Bye-Laws.

"Seal" means the Common Seal of the Company.

"Secretary" means the person appointed to perform the duties of the Secretary of the Company and includes any Assistant or Acting Secretary.

"Significant" means, with respect to Bye-Law 22(4)(vi) and any subsidiary of the Company, (i) a subsidiary in which the investments in and other advances to by the Company and its other subsidiaries exceeds ten percent (10%) of the total assets of the Company and all its subsidiaries and (ii) a subsidiary whose total assets (after elimination of intercompany accounts) exceeds ten percent (10%) of the total assets of the Company and all of its subsidiaries, in both cases as of the end of the most recently completed year.

"Special General Meeting" has the meaning set forth in Bye-Law 11.

"These Islands" means the Islands of Bermuda.

"Utility Executive" means a full-time executive employee of a Member who is insured or reinsured under a Member Insurance Program.

"year" means calendar year unless otherwise specifically stated.

"may" shall be construed as permissive.

"shall" shall be construed as imperative.

"in writing" and "written" means all writings including, but not limited to, facsimile communications, cable and electronic transmissions, and other modes of representing or reproducing works in visible form.

Words importing the singular number shall also include the plural number and vice versa.

Words importing the masculine gender shall also include the feminine and neuter genders respectively.

Words importing persons shall also include companies or associations or bodies of persons, whether corporate or unincorporated.

Words and expressions, where not inconsistent with the context, shall bear the same meaning as in the Act or any statutory modification thereof in force for the time being.

MEMBERSHIP

2. The Company shall consist of an unlimited number of Members.

3. (1) Every Director while holding that office shall be a Member and his name shall be entered in the Register of Members.

(2) Every person shall be a Member who both:

(i) satisfies the criteria for Membership set forth in the Company's Memorandum of Association; and

(ii) whose application for Membership in the Company has been accepted by the Directors on the terms and conditions set by the Directors.

(3) Any person becoming a Member shall continue as such unless and until his Membership has been terminated pursuant to Bye-Laws 7, 8, or 9.

(4) The name and address of each Member, the date on which each person became a Member and a notation as to whether his Membership derives from paragraph (1) or (2) of Bye-Law 3 shall be entered in the Register of Members referred to in Bye-Law 59 and maintained therein until one year after the date such Member ceases to be a Member.

4. (1) Membership of a Member who qualifies as a Member under the provisions of paragraph (1) of Bye-Law 3 hereof shall be effective for all purposes immediately upon his qualification for the same.

(2) Membership of all other persons shall become effective upon such terms and conditions, and at such times, as the Directors shall from time to time determine.

5. In the case of application for Membership pursuant to paragraph (2) of Bye-Law 3:

(1) Any financially responsible person that meets reasonable underwriting standards established by the Directors and has an insurable interest in, or in the output of, such nuclear or other risks as the Company or a subsidiary from time to time offers to insure or reinsure under a Member Insurance Program shall be eligible for Membership.

(2) An applicant for Membership shall be considered to be financially responsible if, in the opinion of the Directors, he may reasonably be expected to be capable of meeting his financial obligations to the Company or a subsidiary, under contracts of insurance or reinsurance under a Member Insurance Program or otherwise, when due. The Directors in their discretion may require, as a condition of their approving an application for Membership, or at any time during the period of Membership, that the applicant furnish the Company with guarantees or such other appropriate undertakings as the Directors may require to assure financial responsibility.

(3) Any applicant for Membership shall meet and maintain the standards of insurability as established by the Company with respect to the risks to be insured under a Member Insurance Program, the qualifications of personnel, and operating and maintenance practices, as any of such apply to such Member.

(4) All applications for Membership shall require the approval of the Directors. Any applicant whose application is rejected by the Directors may appeal the decision to the next Annual General Meeting of Members and the action taken at that time shall be final and binding on all parties concerned. Applications for Membership shall be in such form as the Directors may from time to time determine.

6. Membership or any Membership rights shall not be transferable or assignable except that in the event a Member is merged, consolidated or substantially all of its assets are sold to another company, or a Member otherwise restructures its business with its affiliates, the Directors may, in their discretion, permit the transfer of Membership and Membership rights to the successor of such

Member; provided, however, that such successor shall become a Member of the Company, and assume all the obligations of its predecessor.

TERMINATION OF MEMBERSHIP

7. A Member shall ipso facto cease to be a Member:
 - (1) if, being a corporation, it is wound up or dissolved;
 - (2) if, being an individual, he shall die or a receiving order shall be made against him or he shall make any arrangement or composition with his creditors generally; or
 - (3) if, being an individual, he becomes incapable by reason of mental disorder of managing and administering his property and affairs.
 - (4) if the Member is no longer insured under any Member Insurance Program.
 - (5) If a majority of such Member's voting securities (not the Member's voting interest in the Company) are transferred to another party, unless the Board of Directors approves such transfer

8. (1) The Directors may, by resolution taken after giving a Member notice and, if requested, a hearing, require such Member to withdraw for any of the following reasons:
 - (i) A breach of any obligation undertaken by such Member in his application for Membership or under these Bye-Laws, which such Member shall have failed to cure within thirty days of receiving notice thereof from the Directors;
 - (ii) A breach of any obligation undertaken by such Member under any contract of insurance or reinsurance entered into with the Company or a subsidiary under a Member Insurance Program; or
 - (iii) The Member shall cease to meet the Membership qualifications set forth in Bye-Law 3 or shall cease to satisfy the financial responsibility requirements set forth in Bye-Law 5.

- (2) Withdrawal from Membership pursuant to this Bye-Law shall take place and become effective at the time and on the date set forth in a notice of the Directors' determination sent to the Member at his address shown in the Register of Members which date shall be in no event less than sixty days after the sending of such notice.

9. Any Member who wishes to terminate his Membership may do so by notice served on the Company, to be effective at the expiration of any policy year.

MEETINGS

10. A general meeting of the Members of the Company shall be held at least once in every calendar year in These Islands or elsewhere, at a time and place to be fixed from time to time by the Board of Directors (the "Annual General Meeting"). Notice of such meeting shall be given to each Member who is a Member on the Record Date at his address as shown in the Register of Members, at least twenty days before the meeting takes place, stating the time, date and place and, as far as practicable, the objects of the meeting.

11. Any general meeting of the Members which is not an Annual General Meeting shall be a special general meeting ("Special General Meeting") and may be convened by:

(1) The Chair of the Board;

(2) Any two Directors ; or

(3) The written requisition of the holders of not less than 10% of the outstanding votes (as determined in accordance with Bye-Law 19); such requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company. The Directors shall proceed duly to convene a meeting within twenty-one (21) days of the deposit of the requisition.

A Special General Meeting shall be convened by notice in like manner as the Annual General Meeting, at least ten days before the meeting takes place. Such notice shall state the time, date and place, and as far as practicable, the objects of the meeting.

12. At any general meeting of the Company, Members holding not less than 50% of the outstanding votes, represented either in person or by proxy, shall form a quorum for the transaction of business.

13. The Members shall, during the Annual General Meeting, receive the annual financial and operating reports of the Company for the preceding fiscal year, elect the Board and act on any other such matters as may come before them at such meeting.

14. Annual and Special General Meetings may be duly held upon shorter notice than required by Bye-laws 10 and 11, respectively, if all Members entitled to attend and vote thereat are present or represented, and agree to such shorter notice.

15. The chair of a meeting may, with the consent of those present (and shall if so directed by those present), adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

ATTENDANCE AT MEETINGS

16. Members may participate in any Annual or Special General Meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the

meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

WRITTEN RESOLUTIONS

17. (1) Subject to subparagraph (6) of this Bye-Law 17, anything which may be done by resolution of the Company in a general meeting may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, such Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members were present and voted.

(2) A resolution in writing may be signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the Members in as many counterparts as may be necessary.

(3) For the purposes of this Bye-Law, the date of the resolution is the date when the resolution is signed by, or, in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member to sign and any reference in any Bye-Law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-Law, a reference to such date.

(4) A resolution in writing made in accordance with this Bye-Law is as valid as if it had been passed by the Company in general meeting and any reference in any Bye-Law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

(5) A resolution in writing made in accordance with this Bye-Law shall constitute minutes for the purposes of Sections 81 and 82 of the Act.

(6) This Bye-Law shall not apply to:

(a) a resolution passed pursuant to Section 89(5) of the Act; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office under these Bye-Laws.

RECORD DATE

18. For the purpose of determining the Members entitled to notice or to vote at any meeting of Members or any adjournment thereof, or to consent to corporate action in writing without a meeting, the Directors may fix, in advance, a Record Date, which shall not be more than sixty days or less than ten days before the date of such meeting or corporate action. If no Record Date is fixed, the Record Date for determining Members entitled to notice of or to vote at a meeting of Members shall be forty-five days prior to the date of such meeting or corporate action. Only Members who are Members on the Record Date shall be entitled to receive Notice of a meeting of Members and to vote thereat. A determination of Members of Record entitled to notice of or to vote at any meeting of

Members shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new Record Date for the adjourned meeting.

VOTING BY MEMBERS

19. (1) At any Annual or Special General Meeting, each Non-Voting Member shall have no voting rights and each Member other than a Non-Voting Member shall be entitled, subject to Bye-Law 18, to one vote for each \$100,000 of Aggregate Premiums (rounded off to the nearest \$100,000) for the most recent ten-year period, beginning with the most recent year end. Members who are eligible to vote shall be entitled to a minimum of ten (10) votes.

(2) If, after applying paragraph (1) hereof, any Member would have votes which would, except for the provisions of this paragraph, constitute more than 9-1/2% of the total outstanding votes, then such votes in excess of said 9-1/2% shall be allocated among all other Members in proportion to their votes; provided, however, that votes shall be allocated to any particular Member only to the extent his votes plus any allocated votes represent no more than 9-1/2% of the outstanding votes.

(3) In the event, there is held, directly or indirectly, an interest by one Member in another Member or by any other enterprise in two or more Members, then the Directors may determine the voting entitlement of such Members on such basis as the Directors deem equitable. For this purpose, the power to exercise any of the voting entitlement held by a Member shall be treated as an interest in such Member.

(4) The Directors, as Non-Voting Members, shall not be entitled to vote as Members; but in the event that the Directors are the only Members of the Company, each Director shall be entitled to one vote as a Member.

20. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney, or, if such appointer is a company, either under the hand of any director or officer of such company or under its common seal. The instrument appointing a proxy shall be in such form as the Directors may from time to time determine. A person appointed by proxy need not be a Member.

21. The instrument appointing a proxy shall be left with the Secretary not less than twelve hours before the holding of the Annual or Special General Meeting or an adjournment thereof, as the case may be, at which the person named in such instrument proposes to vote.

22. (1) Subject to the provisions of paragraphs (3), (4) and (5) of this Bye-Law 22, any question proposed for consideration of the Members at any meeting shall be determined by a majority of votes (as determined in accordance with Bye-Law 19) of those present or represented by proxy and shall be decided by open voting unless a ballot is demanded by at least a majority of the votes present or represented by proxy at such meeting.

(2) At any Annual or Special General Meeting, unless a matter is determined by ballot pursuant to paragraph (3) of this Bye-Law 22, a declaration by the chair of the meeting that a resolution has been carried and an entry made to that effect in the minutes of the meeting shall be sufficient evidence of that fact. In case of an equality of votes, the motion shall be lost.

(3) Notwithstanding the provisions of paragraph (1) of Bye-Law 22 at any meeting of the Company it shall be lawful, in respect of any question proposed for consideration of the Members, for a ballot to be demanded by any of the following persons:

- (i) The chair of such meeting; or
- (ii) At least three Members present in person or represented by proxy.

(4) Any question proposed for consideration by the Members in an Annual or Special General Meeting which relates to any of the following matters shall require the affirmative vote of at least two-thirds (2/3) of the outstanding votes:

- (i) The election and removal of Directors;
- (ii) The decision that a Director or officer is not entitled to indemnification, in the absence of such decision being made by a vote of disinterested Directors or through an opinion of independent counsel;
- (iii) The revocation, alteration, amendment or addition of or to the NEIL/NML Companies Amalgamation Act 1997 or Memorandum of Association, as the case may be, or these Bye-Laws, or any of them, except as subparagraph (5)(iii) of this Bye-Law otherwise provides;
- (iv) The reversal of the Directors' rejection of applications for Membership;
- (v) Any material change in the nature of the business to be carried on by the Company; and
- (vi) The dissolution or merger of the Company or the sale, lease or other disposition of all or substantially all of the assets or the business of the Company or any Significant subsidiary thereof or the acquisition of any company which would, if acquired, be a Significant subsidiary of the Company.

(5) Any of the following actions proposed for consideration by the Members in an Annual or Special General Meeting shall require the affirmative vote of at least ninety percent (90%) of the outstanding votes:

- (i) A decision to terminate a Member Insurance Program or remove a Policy from a Member Insurance Program where such action would result in termination of Membership under paragraph (4) of Bye-Law 7;
- (ii) Any action by the Company to terminate a Policy or Policies, other than for failure to pay a premium therefor or material breach of the Policy or Policies (which breach continues after notice and reasonable opportunity to cure, provided however, that in the case of a Policy containing notice and cure provisions, its provisions shall govern),

where such action would result in termination of Membership under paragraph (4) of Bye-Law 7; and

- (iii) Any amendment to either Bye-Law 78 or this paragraph of Bye-Law 22.

DIRECTORS

23. The number of Directors for the Company for a given year shall be determined by the Board and shall be not less than three and no more than twenty.

24. (1) Directors shall be chosen or elected at the Annual General Meeting and shall hold office until the earlier of the Annual General Meeting at which their term expires or until their successors are chosen or elected. With the exception of the President of the Company whose term as a Director shall continue so long as he continues to serve the Company as President, each of the Directors shall be elected for a term of three years. In addition to the election of Directors at Annual General Meetings to fill vacancies on the Board of Directors resulting from expired terms, the Members may, in general meeting, also elect Directors to fill vacancies (not previously filled by the Board of Directors) on the Board of Directors for the balance of unexpired terms. No Director (other than the President) shall be eligible to serve more than nine consecutive years on the Board of Directors unless, in its discretion, the Board determines that for the good of the Company a Director should be eligible to serve up to an additional two years.

(2) Only the President of the Company, Utility Executives, and Outside Directors may be appointed or elected as a Director. Outside Directors are required to tender their resignation from the Board upon changing their principal employment.

TERMINATION OF A DIRECTOR'S TERM

25. The term of a Director shall automatically terminate without further action:

- (i) upon notice to the Company that he resigns his office;
- (ii) if he is a Utility Executive, upon retiring from full-time employment with the Member;
- (iii) if he is a Director only by virtue of his being President, upon ceasing to serve as President;
- (iv) upon attaining age seventy-five (75);
- (v) upon his death or if a receiving order shall be made against him or he shall make any arrangement or composition with his creditors generally; or
- (vi) If he is declared by an appropriate authority of being incapable by reason of mental disorder of managing and administering his property and affairs.

26. The Members may at any Annual or Special General Meeting, convened and held in accordance with the Bye-Laws, remove a Director. The notice of any such meeting shall contain a statement of the intention so to do and notice of any such meeting shall be served on the Director concerned not less than fourteen days before the meeting, and at any such meeting such Director shall be entitled to be heard on the nature of his removal. The Director's right to receive compensation as a Director is limited to compensation accrued prior to the termination of his service as Director. A vacancy upon the Board created by the removal of a Director under the provisions of this Bye-Law may be filled by election by the Members at the meeting at which such Director is removed or, in the absence of such election, there will be deemed to be a vacancy which may be filled in accordance with the provisions of Bye-Law 27.

VACANCIES ON THE BOARD

27. So long as a quorum of Directors remains in office, the Directors shall have power from time to time and at any time to appoint any qualified person to fill a casual vacancy in the Board of Directors, but only for the balance of the unexpired term caused by such vacancy, who shall hold office until the next election of Directors, and, so long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in their number. If there is not a quorum of Directors in office at any given time, a Special General Meeting shall be held as soon as practicable to fill all vacancies on the Board of Directors.

AUTHORITY OF DIRECTORS

28. The business of the Company shall be managed by the Directors, who, in addition to the powers and authorities by these Bye-Laws or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed to be exercised or done by the Company in General or Special Meeting subject nevertheless to the provisions of any statute, and of these Bye-Laws.

29. Without prejudice to the generality of the foregoing, the Directors may exercise all of the powers of the Company:

- (1) To borrow money and to mortgage or charge its undertaking or property or any part thereof or to issue debentures or securities;
- (2) To fix and change criteria, procedures and regulations for the establishment of the rates of premiums (including retrospective premium adjustments), the risks to be covered and any and all other terms or provisions to be included in the insurance policies issued from time to time by the Company;
- (3) To fix and change the financial year of the Company; and
- (4) To designate, or eliminate the designation of, an insurance program as a Member Insurance Program, and to designate, or change, which Policies fall under which programs, except where paragraph 5 of Bye-Law 22 otherwise requires

30. The Directors may delegate any of their powers to committees and, except in the case of special advisory committees, such committees must consist of two or more of the Directors, including an Executive Committee, but every such committee shall conform to such directions as the Directors shall impose. The Directors may appoint special advisory committees of the Company consisting of two or more persons who need not be Directors to perform such advisory functions as the Directors request.

31. (1) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Members in general meeting may from time to time determine and no Director or interested Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office, or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(2) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

(3) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act and shall be eligible to vote pursuant to the terms of Bye-Law 36.

32. The remuneration of the Directors shall from time to time be determined by the Members in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

POWERS AND DUTIES OF THE BOARD

33. (1) The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

(2) The Board may choose one of their number to preside as chair at every meeting of the Board. If there is no such chair, or if at any meeting the chair is not present within five (5) minutes after the time appointed for holding the meeting or is not willing to act as chair of the meeting, the Directors present may choose one of their number to be chair of the meeting.

34. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities (including, without limiting the

generality of the foregoing, by telephone or by video conferencing) as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of those Directors participating in the meeting is physically assembled, or, if there is no such group, where the chair of the meeting then is.

35. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be one third of the directors in office. Any Director who ceases to be a Director at a meeting of the Board may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(2) So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.

36. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract, transaction or arrangement with the Company and has complied with the provisions of the Companies Acts and these Bye-Laws with regard to disclosure of his interest shall be entitled to vote in respect of any contract, transaction or arrangement in which he is so interested and if he shall do so his vote shall be counted, and he shall be taken into account in ascertaining whether a quorum is present.

37. The meetings and proceedings of any committee consisting of two (2) or more Directors appointed under Bye-Law 30 shall be governed by the provisions contained in these Bye-Laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

38. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorized by the Board or any committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

39. Notice of a meeting of the Board may be given to a Director by word of mouth or in any manner permitted by these Bye-Laws. A Director may retrospectively waive the requirement for notice of any meeting by consenting in writing to the business conducted at the meeting.

40. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

MINUTES

41. (1) The Directors shall cause minutes to be duly entered in books provided for the purpose:

- (i) Of the appointment of all officers;
- (ii) Of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (iii) Of all orders made by the Directors and committees of Directors; and
- (iv) Of all resolutions and proceedings of general meetings and of meetings of the Directors and committees.

(2) Such minutes shall be signed by the person presiding over the proceedings or over the proceedings at which the minutes are approved, and shall be kept at the registered office of the Company. They shall be open for inspection without charge by any Member for not less than two hours during business hours each day. A copy of the minutes shall be furnished within seven days upon request of any Member.

(3) Any such minutes of any meeting of the Directors, or of any committee, or of the Company, if purporting to be signed by the chair of that meeting, or by the chair of any succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

OFFICERS

42. The officers of the Company shall consist of a Chair of the Board, a Vice Chair, a President, one or more Vice Presidents, a Treasurer, a Secretary and such other officers as the Directors may from time to time determine.

43. The Chair shall be appointed or elected by the Directors from among their number.

44. The Directors shall appoint a President who, so long as he continues to serve as such, will be a Director of the Company. The Directors shall also appoint a Chair of the Board, a Vice Chair, a Vice President, a Secretary and a Treasurer as soon as possible after each election of Directors or upon the occurrence of a vacancy in office. Other officers may be appointed as the Directors may from time to time determine. None of the officers, except for the President, the Chair of the Board and the Vice Chair, needs be a Director and all of the officers shall hold office at the pleasure of the Directors.

Each officer shall receive such salary as the Directors shall from time to time determine.

45. The Directors may from time to time entrust to and confer upon the officers and upon committees of the Board such of the powers exercisable by the Directors as they think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter, or vary all of such powers.

46. The same person may hold two or more offices in the Company except that no person may hold the office of President and Secretary at the same time.

47. The Chair of the Board shall preside at all meetings of the Members. In his absence the Vice Chair, or in the absence of the Vice Chair, the President shall preside, or in the absence of all three of these individuals, the person elected by those in attendance shall preside.

48. The Secretary shall attend all meetings of the Company and of the Directors to keep correct minutes of such meetings. In his absence, a person appointed by the chair of the meeting shall act as Secretary. The Secretary shall be responsible for entering the correct minutes in proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Bye-Laws, or as shall be prescribed by the Directors.

49. The Treasurer or an Assistant Treasurer, if there be one, shall keep or cause to be kept full and accurate accounts of the receipts and disbursements, sales and purchases, and assets and liabilities of the Company and shall enter such in proper books provided for the purpose. They shall perform such other duties as are prescribed by the Act or these Bye-Laws, or as shall be prescribed by the Directors from time to time.

50. Any officer may resign upon notice to the Company effective at the time specified therein or at the time sent if not so specified.

DETERMINATION OF
POLICYHOLDER INSURANCE RECORD AND POLICYHOLDER PERCENTAGES

51. (1) The Company shall maintain, for each Member, a separate Policyholder Insurance Record for each Nuclear Site insured under a Member Insurance Program and a Policyholder Insurance Record for a Member's participation in the Company's Member non-nuclear insurance program, and calculate a Policyholder Percentage for each Member, for so long as such person remains a Member. The financial calculations and procedures set forth in Bye-Laws 51 through 55 shall be determined on a fully consolidated basis. As of the end of each financial year ("Current Year"), the Policyholder Percentage for each Member shall be derived by crediting or debiting the Policyholder Insurance Record for each Member with the following amounts:

- (i) The Member's share of fifty percent (50%) of the Company's underwriting income or loss, net of taxes, under the Member Insurance Programs for the Current Year, such share to be calculated in the ratio ("Earned Premium Ratio") of the premium for the Current Year earned by the Company for each Member Insurance Program divided by all premiums for the Current Year earned by the Company under all Member Insurance Programs by all Members.
- (ii) The Member's share of any underwriting income or loss, net of taxes, of the Company for the Current Year (other than the underwriting income or loss allocated pursuant to Bye-Law 51(1)(i)), such share to be calculated in the ratio ("Other Insurance Ratio") of the amount at the beginning of the Current Year in the Member's Policyholder Insurance

Record divided by the amount in the Policyholder Insurance Records at the beginning of the Current Year of all Members;

(iii) The Member's share of any income or loss, and any unrealized gains or losses, both net of taxes, of the Company for the Current Year (other than underwriting income or loss), such share to be calculated in the ratio ("Other Income Ratio") of

(A) the sum of:

(1) the Member's Policyholder Insurance Record at the beginning of the Current Year;

plus

(2) the Member's share of fifty percent (50%) of the Company's loss reserves for losses occurring under the Member Insurance Programs in previous years (such share of each previous year's reserves to be calculated in the Member's Earned Premium Ratio for such year);

plus

(3) the Member's share of the Company's loss reserves (other than the loss reserves allocated under Bye-Law 51(1)(iii)(a)(2)) for losses occurring in previous years (such share of each previous year's reserves to be calculated in the Member's Other Insurance Ratio for such year);

plus

(4) the difference between the annual premium payments actually made the Member under the Member Insurance Programs for the Current Year, and the Member's share of the paid underwriting expenses for the Current Year.

divided by

(B) the sum of the amounts determined under (A) above for all persons who are then Members.

(2) For purposes of the calculations made in Bye-Law 51(1)(ii) and 51(1)(iii) a Policyholder Insurance Record shall only be included if it is positive in amount.

(3) The Policyholder Insurance Record for each Member shall be debited, in the ratios used under Bye-Law 55(1) with respect to such distributions, by the gross amount of any distributions declared by the Company, including any distributions to terminated Members pursuant to Bye-Law 51(4)(iii), in the year the distribution is declared and becomes payable. The Directors may,

in their sole discretion, offset any delinquency in the payment of any amounts owed the Company by a Member against any distribution payable to such Member.

(4) In the event that the Membership of any Member is terminated:

(i) The Company shall, as of the beginning of the year of termination (A) cease to calculate the Policyholder Insurance Record and Policyholder Percentage for such Member and (B) recalculate the Policyholder Insurance Records of all Members without reference to the Policyholder Insurance Record(s) for the terminated Member.

(ii) For purposes only of balancing entries and facilitating the calculation of Policyholder Insurance Records under this Bye-Law, the Policyholder Insurance Record of each terminated Member shall be divided pro rata among all remaining Policyholder Insurance Records as of the beginning of the financial year in which such Member's Membership terminated, on the basis of all remaining Members' Policyholder Percentages as of the beginning of that same year.

(iii) A Member shall not be entitled to share in distributions declared by the Company after the date its Membership terminated; provided, however, that a terminated Member shall continue to share in non-liquidating distributions, if any, declared by the Company prior to the end of the fourth year following the year in which its Membership terminated. The most recent Policyholder Percentage calculated for a terminated Member as of the end of the financial year immediately preceding the year in which such Membership terminated, shall be the Policyholder Percentage applicable to the terminated Member for the period during which the terminated Member may share in non-liquidating distributions, and used to determine the amount of any distributions made to the terminated Member under this paragraph. The remaining Members shall share in the balance of such distributions after allocation for the terminated Member(s).

52. (1) The income or loss from underwriting and from investments shall be computed in conformity with generally accepted accounting principles, consistently applied; provided, however, that (i) no deduction shall be made for any distributions paid or declared to Members; (ii) any retrospective premium adjustment paid for a year other than the Current Year shall not be included in underwriting income for the Current Year, but shall be credited, at the time paid, to the Policyholder Insurance Records of the Members in their Earned Premium Ratio for the financial year for which the retrospective premium adjustment was called and with the Earned Premium Ratio calculated for this purpose as if the Policy under the Member Insurance Program with respect to which the call was made was the only Policy, and (iii) any adjustment in the amount of a loss in a previous financial year shall not be reflected in the underwriting income or earnings of the Company for the Current Year, but shall be debited or credited, at the time of the adjustment, to the Policyholder Insurance Records of the Members in their respective Earned Premium Ratios and Other Insurance Ratios for the financial year in which the loss occurred as provided in Bye-Law 51(1)(i) and (ii). Any adjustment called for under Bye-Law 52(1)(ii) or (iii) with respect to a Policyholder Insurance Record that has been recalculated pursuant to Bye-Law 51(4) shall first be allocated to such Policyholder Insurance Record as if the recalculation had not previously been made and then such Policyholder Insurance Record shall be recalculated pursuant to Bye-Law 51(4).

(2) In the event that it becomes necessary to calculate the Members' Policyholder Insurance Records on a date other than as of the end of the financial year, the above calculations, to the extent necessary, shall be made through such determination date and calculations at financial year-

end or at any later determination date during the year shall be based on the period since the previous determination date.

(3) In calculating each Member's Policyholder Percentage, any Policyholder Insurance Record for a Nuclear Site, or attributable to the Member's participation in the Member Non-Nuclear Program, that is negative shall not be considered.

(4) Nothing contained in these Bye-Laws shall be interpreted as giving any Member any property interest in, or claim upon, the assets of the Company; the sole purpose of the Policyholder Insurance Records maintained hereby, and calculations of the Policyholder Insurance Records and Policyholder Percentages is to measure each Member's share in distributions when and if declared by the Company.

(5) For the purpose of determining a Member's Earned Premium Ratio, the term "premium for the Current Year earned by the Company" shall be deemed to include all premium (other than retrospective premium adjustment), whether or not paid, earned by the Company for the Policies under the Member Insurance Programs for such financial year.

(6) For the purpose of Bye-Law 51(1)(iii), (i) if any Member is delinquent in the payment of a call by the Company or a subsidiary of the Company for retrospective premium adjustment, the Policyholder Insurance Record maintained for such Member shall be debited by the amount of such delinquency during the period such delinquency exists for the purpose of allocating income or loss of the Company (other than underwriting loss, but not income) and (ii) the sum of the balances under Bye-Law 51(1)(iii)(A) with respect to a Member shall only be included in the calculation of the Other Income Ratios under Bye-Law 51(1)(iii)(A) and (B) if it is positive.

53. Any Member whose Membership is terminated shall not be entitled to receive as a Member any of the net worth of the Company.

54. The termination of Membership of any Member or cessation of insurance under a Policy under any insurance program shall not relieve such Member of any liabilities or obligations accruing to the Company or a subsidiary of the Company under such Policy, in particular (but without limitation) liability under any Policy issued to such Member for the payment of premiums, including any retrospective premium adjustments which may be called for by the Company or a subsidiary of the Company as a result of losses.

55. (1) Subject to paragraph (2), each Member other than Non-Voting Members shall participate in distributions made by the Company and each Non-Voting Member shall participate in refunds of premium ("Premium Refunds") paid by the Company in lieu of distributions as follows:

- (i) Each Member other than Non-Voting Members shall participate in any distribution made by the Company, except in liquidation, to the extent of the Member's Policyholder Percentage of the total of such distributions and Premium Refunds, except that up to, but never more than, 15% of the total of such distributions and Premium Refunds may be allocated by using the Member's Earned Premium Ratio for the Current Year.

- (ii) Each Member other than Non-Voting Members shall participate in distributions made by the Company in liquidation to the extent of the Member's Policyholder Percentage of the total of such distributions and Premium Refunds.
- (iii) Each Non-Voting Member shall participate in Premium Refunds paid by the Company to the Members insured under Policies under Member Insurance Programs to the extent of the Non-Voting Member's Policyholder Percentage of the total of any distributions and Premium Refunds, except that up to, but never more than, 15% of the total of such Premium Refunds may be allocated by using the Non-Voting Member's Earned Premium Ratio for the Current Year.

(2) No Non-Voting Member shall be entitled as a Member to share in distributions made by the Company.

(3) In the event that the Company makes a distribution to its Members, the Company shall pay Premium Refunds to Non-Voting Members on the date the distribution is made.

(4) The amount of any Premium Refunds under paragraph (3) shall be debited, on the date paid, to the Policyholder Insurance Record of the Member receiving the Premium Refund.

(5) In the event that the Company or (in a winding-up) its liquidator elects to terminate all Policies under all Member Insurance Programs and make a final distribution of its assets, a Member's right to a Premium Refund under paragraph (3) shall be computed in the same manner as and shall rank pari passu with the claims of other Members to a share in the distribution of the assets.

(6) The amount of Premium Refunds paid by the Company under paragraph (3) shall not reduce the amount of the retrospective premium adjustment payable by Non-Voting Members under Policies issued to such Non-Voting Members.

(7) The Policyholder Insurance Record for each Member, and the calculations of the Policyholder Percentages, shall be calculated by the Company (per the formula set out in the Bye-Laws) and audited by the Company's auditor, whose determination shall be final and binding on all parties concerned.

EXPENSES

56. The Board of Directors shall allocate to the Member Insurance Programs and to the Other Insurance Programs the expenses properly incurred under each of the programs. To the extent the Company incurs any expenses which may be attributable to more than one program the Board of Directors shall, in its discretion, determine and allocate to each of the programs the portion of the expenses thus incurred.

PROFITS

57. The net profits of the Company shall be computed in accordance with generally accepted accounting principles and the disposal of such net profits shall be determined by the

Members in a general meeting; provided that all distributions made and Premium Refunds paid shall be subject to the provisions of Bye-Law 55.

58. The Reserve Fund and any monies for the time being in the hands of the Company and not immediately required to meet any claims, expenses and outgoings may be invested; provided, however, that the Company and its affiliates shall not directly invest in or otherwise hold securities issued by any Member.

REGISTER OF MEMBERS

59. The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.

REGISTER OF DIRECTORS AND OFFICERS

60. The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act in relation to the Directors, Officers and the Resident Representative.

ACCOUNTING RECORDS

61. (1) The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.

(2) The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Directors, PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three (3) month period. No Member (other than an Officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by Resolution.

(3) A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts.

AUDIT

62. At the Annual General Meeting or at a subsequent Special General Meeting, an independent representative of the Members shall be appointed as auditor of the accounts of the Company and such an auditor shall hold office until the close of the next Annual General Meeting, and, if an appointment is not so made, the auditor shall continue in office until a successor is appointed. Such auditor shall not be a Director or officer or Member of the Company during his continuance in office. No person shall be appointed auditor, except in the case of an auditor already in office, unless notice of intention to nominate that person has been given at least fourteen days before the Annual General Meeting at which the appointment is proposed to be made.

63. The remuneration of the auditor shall be fixed by the Members at the time of his appointment or subsequently, and they may delegate this duty to the Directors.

64. If the office of the auditor becomes vacant or the auditor is incapable of acting by reason of illness or by his becoming incapable of performing his duties, the Directors shall, as early as practicable, convene a Special General Meeting to appoint an auditor to fill the vacancy or an acting auditor to act during the incapacity of the auditor.

65. (1) The auditor shall examine such books, accounts and vouchers as may be necessary for the performance of his duties.

(2) The financial statements of the Company shall be audited at least once a year. The financial statements shall include (i) a statement of the results of operations for the period, (ii) a statement of retained earnings or deficit, (iii) a balance sheet for the period; and (iv) such further information as may be required by the Act or by these Bye-Laws. A copy of such financial statements shall be sent to each Member at least seven days prior to the Annual General Meeting in each year.

(3) The auditor shall make a report to the Members of the accounts examined by him and on every financial statement laid before the Company in general meeting during his tenure of office, and the report shall state: (i) whether or not he has obtained all the information and explanations he has required; and (ii) whether in his opinion the balance sheet contained in the financial statement referred to in the report is properly drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review according to the best of his information and the explanations given to him and as shown by the books of the Company.

(4) The report of the auditor shall be read at the general meeting at which the financial statement is submitted. Provided that, if all Members and Directors agree, either in writing or at a general meeting, that in respect of a particular interval no auditor's report need be laid before a general meeting, then there shall be no obligation to lay a report for such period.

(5) The auditor shall be furnished with a list of all books kept by the Company and shall at all times have the right of access to the books and accounts and vouchers of the Company, and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of his duties.

(6) The auditor shall conduct such special audits as the Directors shall from time to time require and shall report thereon to the Directors.

(7) The auditor of the Company shall be entitled to attend any general meeting of the Members at which any accounts which have been examined or reported on by him are to be laid before the Company and to make any statement or explanations he may desire with respect to the accounts, and notices of every such meeting shall be given to the auditor in the manner prescribed for Members.

SERVICE OF NOTICES AND OTHER DOCUMENTS

66 (1) Any notice or other document including any notice of a general meeting of the Company, any instrument of proxy and any document to be sent in accordance with Bye-Laws 66 and 67 may be sent to, served on or delivered to any Member by the Company personally:

- (i) by sending it through the post (by airmail where applicable) in a pre-paid letter addressed to such Member at his address as appearing in the Register of Members;
- (ii) by sending it by courier to or leaving it at the Member's address appearing in the Register of Members;
- (iii) by, where applicable, sending it by email or facsimile or other mode of representing or reproducing words in a legible and non-transitory form or by sending an electronic record of it by electronic means, in each case to an address or number supplied by such Member for the purposes of communication in such manner; or
- (iv) by publication of an electronic record of it on a website and notification of such publication (which shall include the address of the website, the place on the website where the document may be found, and how the document may be accessed on the website) by any of the methods set out in paragraphs 67 (1) (i) to (iv) of these Bye-Laws, in accordance with the Companies Acts.

67. (1) Any notice or other document shall be deemed to have been served on or delivered to any Member by the Company:

- (i) if sent by personal delivery, at the time of delivery;
- (ii) if sent by post, forty-eight (48) hours after it was put in the post;
- (iii) if sent by courier or facsimile, twenty-four (24) hours after sending;
- (iv) if sent by email or other mode of representing or reproducing words in a legible and non-transitory form or as an electronic record by electronic means, twelve (12) hours after sending; or

(2) Published as an electronic record on a website, at the time that the notification of such publication shall be deemed to have been delivered to such Member, and in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed and stamped and put in the post, published on a website in accordance with the Companies Acts and the provisions of these Bye-Laws, or sent by courier, facsimile, email or as an electronic record by electronic means, as the case may be, in accordance with these Bye-Laws.

Each Member and each person becoming a Member subsequent to the adoption of these Bye-laws shall be deemed to have acknowledged and agreed that any notice or other document may be provided by the Company by way of accessing them on a website instead of being provided by other means.

(3) Any notice or other document delivered, sent or given to a Member in any manner permitted by these Bye-Laws shall, notwithstanding that such Member is bankrupt or that any other event has occurred, and whether or not the Company has notice of the bankruptcy or other event, be deemed to have been duly served or delivered in respect of such Member unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register of Members, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on the Member.

(4) Save as otherwise provided, the provisions of these Bye-Laws as to service of notices and other documents on Members shall mutatis mutandis apply to service or delivery of notices and other documents to the Company or any Director, Alternate Director or Resident Representative pursuant to these Bye-Laws.

68. RESERVED

ALTERATION OF BYE-LAWS

69. The Directors may from time-to-time revoke, alter, amend or add to these Bye-Laws provided that no such revocation, alteration, amendment or addition shall be operative unless and until it is confirmed by the Members in a general meeting in accordance with the applicable provisions of Bye-Law 22.

INDEMNIFICATION

70. The Directors, Secretary and other officers for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reasons of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any willful default, fraud or dishonesty which may attach to any of said persons.

71. The Directors, Secretary and other officers for the time being of the Company and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they, or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of defending any proceedings (resulting from any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their respective offices or trusts), whether civil or criminal in which judgment is given in their favor or in which they are acquitted or when relief is granted to them by the Court under the Act .

72. Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director, Secretary and other officer on account of any action taken by such Director, Secretary and other officer or the failure of such Director, Secretary and other officer to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any willful default, fraud or dishonesty which may attach to such Director, Secretary and other officer.

73. Expenses incurred by the Directors, Secretary and other officers of the Company in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding, under terms authorized by the Board in the specific case, upon receipt of an undertaking by such person to repay such amount if it is determined that he is not entitled to indemnification. The decision that a Director or officer is not entitled to indemnification shall be made by a vote of disinterested Directors, or, in the absence of disinterested Directors, through an opinion of independent counsel or by action of two-thirds (2/3) of the outstanding votes of the Members.

74. The indemnification provided by these Bye-Laws shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of the Members or disinterested Directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Secretary, officer, liquidator or trustee, and shall inure to the benefits of the heirs, executors and administrators of such a person.

75. The Company shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Secretary, officer, employee or agent of the Company, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of these Bye-Laws.

76. These provisions for indemnification by the Company shall apply to any position as an officer or director of an organization other than the Company when such service is performed at the direction of the Company.

DISPUTE RESOLUTION

77. The Company and its Members acknowledge that the Company has been formed by the Members as a mutual enterprise to provide insurance coverage to the Members. Consistent with the intent and operation of the mutual enterprise, the Company and its Members agree to resolve any and all disputes, claims or controversies between or among them in accordance with the following procedures:

(1) The Company and its Members will endeavor to resolve any dispute between them by means of a voluntary process to be agreed upon between them, including, without limitation, early neutral evaluation, mediation, mini-trial, neutral fact finding, or senior peer review. Neither the Company nor the Member may be compelled to participate in any such voluntary process except that, at the request of a Member, the Company agrees to submit the dispute to senior peer review. The Company agrees to pay the fees and expenses of any neutral party associated with the use of any

process hereunder. Senior peer review is a process in which both sides present their arguments and view of the evidence to a panel of five (5) employees of other Members, unless the Member and the Company agree that a panel of three (3) would be more appropriate. The panel will provide a written non-binding opinion on the merits of the dispute. Though not an exclusive list, panel members may include individuals from NEIL's Member Representatives, the Board of Directors, Member Advisory Committees, or Members' Legal Counsel. None of the panelists may be employed by a Member that is an affiliate of the Member involved in the dispute. The panelists shall be selected by agreement of the Member and the Company, but if no agreement is reached within thirty (30) days of the date the senior peer review is requested, the Company and Member shall each submit a list of five names and a NEIL Outside Director (as chosen by the Chair of the Board) shall select the panelists. The panel, with input from the parties, shall establish a schedule for the proceeding, including, if appropriate, the submittal of written materials and oral arguments.

(2) The Statement of Dispute Resolution Principles adopted by the Company's Board of Directors and its Members, as it may be amended from time to time, shall not create any rights or obligations on the parties but shall be used as guidelines for conducting dispute resolution processes hereunder.

(3) Any dispute, controversy or claim between the Company and the Member as to any matter arising out of, based upon, or relating to these Bye-Laws, or the breach, termination or validity thereof, which is not settled between themselves, pursuant to paragraph 1 above or otherwise, shall be resolved by mandatory arbitration in accordance with the United Nations Commission on International Trade Law's (UNCITRAL) Arbitration Rules. Arbitration of a dispute is final and binding.

- (i) The number of arbitrators shall be one, unless the Member or the Company requests a three-person panel, in which case the number of arbitrators shall be three.
- (ii) In the event the arbitration is to be decided by a single arbitrator, and the parties cannot agree on the appointment of that arbitrator within sixty (60) days of the notice of arbitration being served, the sole arbitrator shall be selected by the appointing authority specified in subparagraph (iv) below.
- (iii) In the event the arbitration is to be decided by three arbitrators, the Member shall appoint one arbitrator and the Company another; the two so appointed arbitrators shall select the third, who will act as the chair for the panel. The party which files the notice of arbitration shall include in such notice the identity of its party-appointed arbitrator. Within forty-five (45) days of service of the notice of arbitration, the second party shall notify the party that filed the notice of arbitration of the identity of its party-appointed arbitrator. At the time of the notification of the appointment, each side shall provide the other with a detailed curriculum vitae for the selected arbitrator, which shall include information regarding any potential conflict of interest of the selected arbitrator, including any financial or personal interest in the result of the arbitration or any past or present relationship with the parties or their representatives. All arbitrators shall be obligated to update

his/her potential conflict of interest information throughout the arbitration. If (i) the party filing the notice of arbitration fails to include the identity of its party-appointed arbitrator, or (ii) the second party does not notify the first party of its party-appointed arbitrator within forty-five (45) days of service of the notice of arbitration, or (iii) the two party-appointed arbitrators fail to agree on a third arbitrator within a period of sixty (60) days from the date of appointment of the second arbitrator, then, on request of either party, the missing party-appointed arbitrator or the third arbitrator (as the case may be) shall be selected by the appointing authority specified in subparagraph (iv) below. There shall be no *ex parte* communications between a party and any of the arbitrators, except that a party-appointed arbitrator shall be permitted to communicate with the party that appointed him/her concerning (1) the identity of the chair and (2) issues associated with arbitrator invoices.

- (iv) The appointing authority shall be the American Arbitration Association (“AAA”) in New York, New York. The AAA shall select arbitrators from the panel of international arbitrators for the International Centre for Dispute Resolution, the international division of the AAA (the “ICDR Roster”). The arbitrators selected from the ICDR Roster shall be U.S. nationals. If for any reason the AAA fails to appoint an arbitrator within thirty (30) days of the date of receipt of the request for such appointment, either party may proceed pursuant to Article 75 of the Civil Practice Law and Rules of the State of New York and make application to the Supreme Court of the State of New York, County of New York for the appointment of the arbitrator. For non U. S. Members the arbitrators selected from the ICDR roster shall not be nationals of the United States, Ireland or the country where the Member is based.
- (v) To the extent there is any inconsistency between the UNCITRAL Arbitration Rules and the provisions of these Bye-Laws, the latter shall govern.
- (vi) The seat, or legal place, of the arbitration shall be New York, New York, unless the parties agree upon another location.
- (vii) Within forty-five (45) days after the appointment of the arbitrator, or in the case of a three-person panel, the appointment of the chair, the arbitrator(s) shall conduct an initial conference to which the parties will be invited to attend. At the initial conference, the parties and arbitrator(s) shall discuss, without limitation, (1) the procedures to be followed, (2) scheduling of submissions and hearings, and (3) a timetable for discovery. At a minimum, the discovery order shall require the parties to provide each other non-privileged documents that are requested by the other side and that reasonably relate to the claims and defenses asserted in the arbitration. Following the initial conference,

the arbitrator(s) shall issue a Procedural Order to the parties setting forth the procedures and schedule.

- (viii) Within sixty (60) days of the close of the hearings (or the later of post-hearing oral argument or post-hearing written submissions should the arbitrator(s) authorize them), the arbitrator(s) shall issue their award, which shall be in writing and shall present a detailed statement of the factual and legal bases for the award. In the case of three arbitrators, the award of the arbitrators shall require a majority of two votes. The arbitrator(s) shall first determine the liability of the parties as to the dispute, claim or controversy, and then, only if necessary, determine the type and amount of relief to be granted. In no case may the arbitrator(s) order the rescission or reformation of these Bye-Laws. Further, unless the arbitrator(s) determine that it is inappropriate under the circumstances of the case, the award shall provide that post-award interest shall begin to accrue at the rate of the Prime Rate, as published in the Wall Street Journal as of the date of the award, plus two (2) percent per annum from the date sixty (60) days after the award is delivered to the parties until the date the award is paid.
- (ix) The arbitrator(s) shall award reasonable attorney's fees and costs to the prevailing party, not to exceed the amount of fees and costs incurred by the non-prevailing party. For this purpose, the fees incurred shall be calculated at reasonable hourly billing rates and shall include all reasonable out-of-pocket expenses, including, without limitation, the reasonable costs of expert witnesses and consultants. If the Member has retained counsel on a contingency fee basis, and the Company is the prevailing party, the arbitrators shall award the Company all of its reasonable attorney's fees and costs (without consideration of the fees and costs incurred by the Member).
- (x) In the event the award is challenged in court and the challenge is denied, the party that challenged the award shall pay the reasonable attorneys' fees and costs incurred by the non-challenging party in defending against the challenge to the award.
- (xi) The parties acknowledge that any dispute resolution proceeding is intended to be confidential and therefore agree to properly maintain and not disclose or reveal any information obtained from the other party pursuant to the terms of a Confidentiality Agreement to be executed between the parties at the beginning of the proceeding (the terms of which shall be determined by the arbitrator(s) in the event that the parties are unable to agree). In the case of arbitration, the written decision of the arbitrator(s) shall be available to other Members of NEIL, except that any information within the written decision that the Member can show is proprietary in nature will be redacted.

(4) This Bye-Law shall not apply to disputes, claims or controversies arising out of or relating to any insurance policies issued by the Company.

(5) To the extent that judicial relief is required to enforce the provisions of these Bye-Laws, or is required with respect to the confirmation, enforcement, modification, or vacatur of any arbitration award, the United States District Court for the Southern District of New York (or the Supreme Court of the State of New York, New York County, if federal jurisdiction cannot be attained) shall have exclusive jurisdiction with respect to such proceedings, unless the subject matter of the dispute, claim, or controversy requires it to be resolved in a Bermuda court. For such purpose, the Member agrees to accept, without objection to form or manner, service of process by registered mail or form of overnight mail to the Member at its address as set forth in the Register of Members. For such purpose, the Company agrees to accept, without objection to form or manner, service of process by registered mail, or overnight mail, directed to the Company's General Counsel, at the address of the Company's principal place of business in Delaware. The foregoing consents to service of process are not intended, nor shall they be construed, to extend to any dispute, claim, controversy, cause of action, or other matter other than as stated in this paragraph.

(6) It is intended that this Bye-Law be construed so that the Company and its Members are required to arbitrate all disputes, claims or controversies between them, other than as set forth in paragraph (4), that are not resolved pursuant to paragraph (1) or otherwise, provided that disputes, claims or controversies that are not subject to arbitration must be submitted to the exclusive jurisdiction of the United States District Court for the Southern District of New York (or the Supreme Court of the State of New York, New York County, if federal jurisdiction cannot be attained). The parties would only use Bermuda courts when the subject matter of the dispute, claim or controversy requires it to be resolved in a Bermuda court.

COVERAGES

78. Subject to the ability of the Company to terminate a Member Insurance Program under these Bye-Laws, the Company shall offer Nuclear Primary, Nuclear Excess, Nuclear Accidental Outage, Member Insurance Programs, as well as any other nuclear and non-nuclear coverages it may offer in the future, on commercially reasonable terms.

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