



SHAREHOLDERS' AGREEMENT

JANUARY 2023

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Everen Limited Shareholders' Agreement

RECITALS:

This Agreement and the exhibits hereto (hereinafter referred to as the “**Agreement**”) is among and between shareholders (“**Shareholders**”) under policies of Everen Limited, a Bermuda company (“**the Company**”), having its principal offices in Bermuda. Each such signatory hereto is referred to herein as a party. The Company was formed because there was no longer available to petroleum companies on terms consistent with sound business practice commercial insurance covering substantial risks including catastrophe coverage for on-shore and off-shore property, pollution, and bringing under control wild oil or gas wells or extinguishing oil or gas well fires. In view of the magnitude of these risks in the petroleum industry, the Company was formed as a mutual type insurance company to provide reasonable and effective insurance and reinsurance coverage. It is the purpose of this Agreement to set forth the essential terms governing the Company, its operations, and the relations of its policyholders and Shareholders in connection therewith.

AGREEMENTS:

1. The Insurance Company.

1.01 The Company has been incorporated under the laws of Bermuda as an insurance company whose corporate powers are described in the Amended Memorandum of Association set forth in Exhibit A.

2. Eligibility Requirements and Failure to Meet Eligibility Requirements.

2.01 In order to be eligible for participation in the Company an applicant must:

- (i) satisfy the eligibility requirements set forth in Exhibit B; and
- (ii) establish that it is financially responsible as appropriate to its obligations to the Company in accordance with the Everen Limited Financial Security Requirements, and
- (iii) have its eligibility determined by the Chief Executive Officer of the Company or his designee pursuant to the Everen Limited Membership Criteria.

2.02 If at any time a party ceases to meet all of the requirements for eligibility set forth in Section 2.01, the Chief Executive Officer of the Company or his designee may, upon such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine,

- (i) continue the party's policies in force upon such terms and conditions as the Chief Executive Officer of the Company or his designee may establish, or
- (ii) upon reasonable notice to such party, cancel its policies; in the latter event if the reason such party ceased to continue to meet all of the eligibility requirements was failure to meet one of either the gross annual revenue or Unmodified Gross Assets tests contained in the definition of “Energy Company”, but such party continues to engage in Energy Operations, then such party may elect to continue its policies in force but only with respect to an affiliated group which meets the requirements of paragraph 4 of Exhibit B, provided such affiliated group of the party then meets and continues to meet thereafter all of the other requirements for membership specified in Section 2.01.

3. Effective Date.

3.01 This Agreement became effective between the original parties on December 15, 1971, and as to parties signing at a later date upon the parties' execution of this agreement and the prospective Shareholder's purchase of an "A" share.

4. Shares and Participation.

4.01 Each of the prospective Shareholders shall purchase and hold one "A" share of the capital stock of the Company for which it shall pay a minimum of ten thousand dollars (\$10,000). Any applicant desiring to purchase insurance or reinsurance from the Company shall, upon meeting the eligibility requirements of Section 2.01 and receiving written approval of the Chief Executive Officer of the Company or his designee pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, sign and become a party to this Agreement concurrently with the purchase of its "A" share of the Company's capital stock.

5. Other Insurance.

5.01 Any Shareholder of the Company shall, except as otherwise provided, retain the unrestricted right to place any other insurance with any insurer, to negotiate the insurance requirements of its contractors and subcontractors as it may determine, engage in self-insurance to any extent it wishes, and conduct any insurance business or hold any interest in any other insurance business, without impairment by reason of this Agreement or its being a Shareholder of the Company.

6. Term of Agreement; Cancellation of Policy.

6.01 Subject to all the provisions of Sections 7 and 8 hereof and all the other terms of this Agreement, each party to this Agreement shall remain a Shareholder of the Company for so long as one of the policies referred to in Section 11 hereof remains in force and effect.

6.02 Any Shareholder which ceases to be a policyholder of the Company shall thereupon, subject to the provisions of paragraph 6 of Exhibit B attached hereto, cease to be a Shareholder of the Company, and at that time the Company shall be entitled and obligated to purchase and redeem the "A" share of any such Shareholder. The redemption price to be paid by the Company shall be equal to the subscription price paid by the Shareholder for such "A" share, subject, however, to a prior lien in favor of the Company to secure the liquidation of any liability of such Shareholder to the Company under Section 13.01.

6.03 If at any time the policy issued by the Company to a party is cancelled, such party shall, subject to the provisions of paragraph 6 of Exhibit B attached hereto, concurrently with such cancellation cease to be a party to this Agreement and a Shareholder. In such cases, the provisions of Section 6.02 shall apply except where a party ceases to be a Shareholder with the consent of the Company pursuant to Section 14.01.

6.04 If at any time a party fails to pay its premium when due or fails to maintain financial responsibility appropriate to its obligations or contingent obligations to pay premiums to the Company, in addition to any other remedies the Company may have, including without limitation proceedings at law or in equity, the Board of Directors may in its discretion cancel such party's policy and require such party to withdraw and cease to be a Shareholder, which shall be effective without further act of such party upon the date specified in the notice to be given to it by the Company of the Board's action. The form and amount of financial responsibility shall be as determined by the Chief Executive Officer of the Company or his designee pursuant to such

reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine.

7. Termination of Duty to Indemnify.

7.01 In the event that a party ceases to be a Shareholder (by reason of the non-renewal or cancellation of the policy issued by the Company or for any other reason), all obligations of the Company to indemnify or make payment to any person under any insuring agreement contained in, or otherwise pursuant to, any policy at any time issued by the Company to that party, whensoever issued or outstanding, shall cease and terminate for all purposes whatsoever at the time such party ceases to be a Named Insured or Energy Company under any non-expired/non-cancelled policy issued by the Company (“Termination Time”), except only with respect to:

- (i) a claim for indemnification which has been submitted in accordance with Condition I in Exhibits D-1 and D-2 to this Agreement prior to such Termination Time; or
- (ii) a claim for indemnification which has been submitted in accordance with Condition I in Exhibits D-1 and D-2 to this Agreement after such Termination Time but prior to the fifth anniversary of such Termination Time, provided, however, that, in such case, in no event shall the aggregate obligations of the Company (prior to any offset for premiums or any adjustment pursuant to Section VIII of the Rating & Premium Plan) with respect to any and all such claims exceed the amount (without interest) which the Shareholder would have been entitled to receive in accordance with Section 15.01 of this Agreement if the Company had been dissolved on the last day of the Company's fiscal quarter coinciding with or immediately prior to such Termination Time (less the subscription price paid for its “A” share of capital stock).

7.02 In the event that a subsidiary or affiliate of a Named Insured or Energy Company becomes majority owned or controlled by another person by merger, sale of stock, sale of assets or otherwise, and such subsidiary or affiliate thereby ceases to be an Assured under a policy issued by the Company, all obligations of the Company to indemnify or make payment to that Assured under any insuring agreement contained in, or otherwise pursuant to, any policy at any time issued by the Company shall cease and terminate for all purposes whatsoever at the time such Assured ceases to be an Assured, except only with respect to a claim for indemnification which had been submitted prior to such time in accordance with Condition I of Exhibit D-1 or D-2 to this Agreement.

8. Merger, Sale of Stock, Sale of Assets.

8.01 In the event that a party by merger, sale of stock, sale of assets, or otherwise becomes majority owned or controlled by another person which, together with such party, would be eligible to become a party hereunder, the Chief Executive Officer of the Company or his designee may, pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, admit such new party or a Subsidiary or Non-Subsidiary Related Company in accordance with Exhibit B and

- (i) shall provide that such new party shall have credit for purposes of determining its Cumulative Allocable Premium for the Cumulative Allocable Premium that was allocated to the former party, and
- (ii) shall provide that the newly admitted party shall assume all obligations relating to Company membership of the former party, including but not limited to Annual Premium and Withdrawal Premium, and

- (iii) may make such other arrangements with such new party as the Chief Executive Officer of the Company or his designee determines, pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, to be fair and reasonable under the circumstances.

9. Voting Rights.

9.01 Each holder of an “A” share shall have at any meeting of the Company one vote for each ten thousand dollars (\$10,000) paid for the share of “A” stock held by it, together with an additional vote in respect of each full ten thousand dollars (\$10,000) allocated to it of Cumulative Allocable Premium; provided, however, that no party will be allowed votes, including, at the discretion of the Board of Directors, votes attributed to such party under the attribution rules of Section 958 of the United States Internal Revenue Code, which represent more than nine and a half percent (9.5%) of the total voting power. This limitation shall apply only so long as there are more than eleven holders of “A” shares. In those circumstances where the application of attribution rules under Section 958 of the United States Internal Revenue Code is applicable, the application thereof and the allocation of votes so as to ensure that the limitation of voting power shall not exceed the nine and a half percent (9.5%) limitation on voting power set forth herein shall be made by the Board of Directors in its discretion. Notwithstanding the foregoing, the voting power of a party shall not, without its consent, be reduced as a result of the application of the attribution rules of Section 958 of the United States Internal Revenue Code unless Subpart F income under the United States Internal Revenue Code from the Company would, in the absence of such application, be allocable to such party.

9.02 The reductions in votes required under the nine and a half percent (9.5%) limitation provided in Section 9.01 of this Agreement shall be determined in the following manner: the number of votes of each party with more than nine and a half percent (9.5%) of the total votes, computed without reference to the nine and a half percent (9.5%) limitation, shall be reduced by the number of votes necessary to cause the remaining number of votes of each such party to be not more than nine and a half percent (9.5%) of the number of total votes after giving effect to such reductions. In the event such reductions of the total number of votes cause the number of votes of any party to become more than nine and a half percent (9.5%) of the reduced total, the procedure shall be reapplied.

9.03 Each party shall take or cause to be taken such action as may be reasonably necessary to enable the Company to implement the objectives and obligations herein stated. Action of the Shareholders and of the Board of Directors at any meeting shall be by majority of the votes cast or as specified in the memorandum of association or Bye-Laws of the Company, subject in all cases, however, to the overriding terms and conditions of this Agreement.

10. Directors.

10.01 The number of Directors shall be not less than seven (7) nor more than seventeen (17), as the Shareholders may from time to time determine. The Directors shall be elected at each Annual General Meeting of the Company and a ballot cast for the election of Directors shall be invalid unless cast for the full number of Directors to be elected. Any Director may be removed by the Shareholders with or without cause to the full extent permitted by Bermuda law. Any Director may also be removed by the Directors with or without cause, provided that such removal is effected at a meeting of the Directors by the affirmative vote of no less than all the Directors minus two. All Directors shall hold office until their respective successors are elected or until the office of any such Directors shall be vacated by death, resignation, removal or other disqualification. In the event that there is a vacancy in the office of any Director due to death, resignation, removal or other disqualification, such vacancy may be filled by the Directors or by the Shareholders at

any Special Meeting of the Company. Shareholders shall not be entitled to vote cumulatively in the election of Directors.

11. Risks, Policies and Premiums.

11.01 The risks which the Company shall insure or reinsure and the policies issued by the Company are set out in the specimen insurance policy attached hereto as Exhibit D-1 and the specimen reinsurance policy attached hereto as Exhibit D-2. The policies issued by the Company shall be substantially in the form of one or the other of these specimen policies and shall be subject to all the terms and conditions thereof and any other Endorsement thereto.

Parties have the option of obtaining or not obtaining the coverage provided by any or all endorsements. If an endorsement in the form of Exhibit L ["Non-Gradual Pollution Limitation"] to the Shareholders' Agreement in effect as of December 31, 2015 has been elected at any time, it shall be effective as to all past, present and future policies of such party or any predecessor owner of such party's "A" share of the capital stock of the Company, and shall apply to all past policies retroactively and may not be discontinued as to any present or future policy, except to the extent that the Chief Executive Officer of the Company or his designee, pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, otherwise agrees. No Endorsement shall survive the cancellation or termination of the policy to which it applies, except as provided in Section 7, and any Endorsement may be cancelled at any time by a party with the agreement of the Chief Executive Officer of the Company or his designee pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine. In addition to the authority of the Board of Directors under Section 17.01 and subject to Section 16.02, the Shareholders may impose other terms and conditions upon the issuance, or continuation in force, of policies. Any such terms and conditions or subsequent modification thereof must be approved by the same vote as is required under Section 16.02.

In addition to, and without limiting any delegation of authority to the Board of Directors or the Company in any provision of this Agreement or in any Exhibit hereto and notwithstanding any other provision of this Section 11.01, the Board of Directors may, from time to time, make changes, alterations and modifications to policies (other than the Rating & Premium Plan except as provided therein) and approve forms of endorsements thereto, provided, however, that additional or new limitations on coverage pursuant to this sentence, including (without limitation) additional exclusions, shall require Three-Quarters' Directors Vote. Changes pursuant to Condition F.5 of Exhibits D-1 and D-2 hereto, including but not limited to, changes in the Aggregation Limit shall be effective as of the date determined by the Board of Directors and may be made effective at any time upon ninety (90) days' notice. Any change requiring Three-Quarters' Directors Vote under this Section 11.01, or under the Coverage Options Endorsement, or under the Rating & Premium Plan shall automatically become effective at the beginning of the succeeding fiscal year ("initial fiscal year") (and, unless further changed, for each fiscal year thereafter), provided that notice of such change has been given at least ninety (90) days before the start of the initial fiscal year. Changes, modifications, endorsements or exclusions adopted by the Directors are intended to be applied equitably as between and among all similarly situated Shareholders and shall be subject to all the terms and conditions of this Agreement and the Rating & Premium Plan and the Coverage Options Endorsement.

In the event a Shareholder refuses to comply with reasonable requests for underwriting or loss information necessary to enable the Company to prepare such proposals as may be necessary to implement changes to policies or to Exhibits hereto to address risk differentiation, the Chief Executive Officer of the Company or his designee may, upon such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine and upon ninety (90) days' notice, may restrict coverage in the policy or policies of the Shareholder failing to provide

such information in such a way as the Chief Executive Officer of the Company or his designee may deem appropriate in his discretion.

11.02 The method of determining the premiums to be paid shall be as set forth in the Rating & Premium Plan.

12. Reserves.

12.01 No part of the Company's reserves and/or assets shall at any time or under any circumstances be loaned to any Shareholder or any subsidiary of any Shareholder or any legal entity that, directly or indirectly, controls, or is controlled by, or is under common control with such Shareholder and no Shareholder shall have an identifiable interest in such reserves and/or assets; provided, however, that payments with respect to losses covered by policies issued to Shareholders may be made by means of loans against loan receipts in accordance with usual and customary insurance practice.

13. Liability of Party and Financial Security Requirements.

13.01 The liability shall be limited to the premiums due to the Company from such party under the terms of the policies issued by the Company to it or in its behalf; and no party shall be subject to any contingent premium liability or be required to pay any dues or assessments in addition to the obligations referred to in this Section.

Notwithstanding the sentence above, the Chief Executive Officer of the Company or his designee may, upon such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, require a party to provide security for any obligations arising from this Agreement, including premium obligations arising from actual or contingent losses.

The Company shall have the right to offset payment of any obligation owed to a party pursuant to this Agreement against any such obligations owed to the Company by that party or its successor in interest (including any Withdrawal Premium or other premium that would become due upon Policy Cancellation).

14. Restrictions on Transfer of Shares and Other Rights.

14.01 Except as otherwise specifically provided for herein, neither the shares of the Company nor the policies issued by the Company nor any rights and obligations created by this Agreement or connected with it shall be transferable by any party, either voluntarily or by operation of law, unless the intended transferee, (a) shall have signed this Agreement when approved by the Chief Executive Officer of the Company or his designee, pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, as meeting the requirements for eligibility, financial responsibility, and other conditions pursuant to this Agreement and (b) shall have assumed in writing, in form and substance satisfactory to the Chief Executive Officer of the Company or his designee pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, all outstanding obligations of the intended transferor to the Company. The certificates representing the shares of the Company shall be endorsed with a legend referring to this restriction.

14.02 Notwithstanding any other provision of this Agreement, a Shareholder or Named Insured under any policy may designate pursuant to Exhibit G hereto as a joint policyholder:

- (i) a subsidiary whose principal business is insurance, or

- (ii) with the consent of the Company, any other of its subsidiaries; and a Shareholder or Named Insured may designate pursuant to Exhibit G hereto as a joint policyholder, in the case of a reinsurance policy issued to such Shareholder or Named Insured,
- (iii) the Energy Company named in the Declaration to such reinsurance policy, or
- (iv) with the consent of the Company, any of the subsidiaries of such Energy Company.

If such a subsidiary or subsidiaries or Energy Company is so designated as a joint policyholder, the coverage and limits available shall be only those which would have been available had the Shareholder or Named Insured been the sole named policyholder disregarding the naming of any such subsidiary or subsidiaries or Energy Company as a joint policyholder. The premium to be paid shall be guaranteed by the Shareholder or Named Insured, as the case may be, and shall be computed as if the Shareholder or Named Insured, as the case may be, alone were the sole named policyholder.

14.03 Upon request of a party, the Company may in its discretion issue in lieu of any policy issuable under Condition L of Exhibits D-1 and D-2 hereto two or more policies which are limited in application by endorsement or otherwise to specified countries or geographical areas. Upon request of a party, the Company may in its discretion allocate between such policies the total premium due to the Company. Nothing contained in this Section shall alter the coverage, deductibles, limits and payment of premiums provided for in policies issued pursuant to this Agreement and for such purposes all policies issued in lieu of any policy issued or issuable under Condition L of Exhibits D-1 and D-2 hereto shall be in the aggregate the equivalent of the policy in lieu of which they were issued and whenever herein the term policy is used, it shall include all policies issued in lieu of a policy pursuant to this section.

14.04 Upon request of a Shareholder and subject to approval by the Company, a Shareholder may assign its "A" share of the Company to another party or parties which have a direct or indirect ownership interest in such Shareholder, provided that such party or parties are also Shareholders of the Company. Notwithstanding any other provision of this Agreement, the voting rights, rights upon dissolution and dividend rights of such assigned shares shall in amount be the same as if the share had continued to be owned by the assignor. Any such assignment shall be subject to the following conditions:

- (i) the assignee shall become a Named Insured and execute the Company's Shareholders' Agreement,
- (ii) upon the assignee ceasing to be a policyholder of the Company, the Company shall be entitled to purchase and redeem the assigned share, and
- (iii) all such other terms and conditions as the Chief Executive Officer of the Company or his designee may require pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine.

15. Rights Upon Dissolution; Dividend Rights.

15.01 Upon dissolution of the Company, each Shareholder shall be entitled to receive the subscription price paid for its "A" share of capital stock and the Company's net assets shall be distributed among the then Shareholders in proportion to the sum allocated to each Shareholder of Cumulative Allocable Premium.

15.02 Dividends may be declared by the Board of Directors. Any dividend so declared shall be distributed among the holders of "A" shares of the Company's capital stock on the record date

established for such dividend by the Board of Directors, with each such Shareholder being entitled to an allocable portion thereof in proportion to the total of the subscription price paid for its "A" share plus the sum allocated to such Shareholder of Cumulative Allocable Premium. Any dividend may be paid in such form as approved by the Board of Directors.

16. Amendment and Termination.

16.01 This Agreement, including the exhibits attached hereto, may be terminated and the Company wound up and dissolved upon the affirmative vote of the holders of not less than seventy five percent (75%) of the total votes eligible to be cast by the Shareholders.

16.02 This Agreement, including the exhibits attached hereto, may be amended upon the affirmative vote of the holders of seventy five percent (75%) of the total votes present at a meeting of Shareholders, but in no event less than sixty five percent (65%) of the total votes eligible to be cast.

17. New Participants.

17.01 The Chief Executive Officer of the Company or his designee may, upon such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, establish from time to time additional conditions for participation in the Company which shall be applicable to those companies which make application for insurance or reinsurance after the effective date of this Agreement.

18. Borrowing and Sale of Rights.

18.01 The Board of Directors shall have authority to borrow funds at any time and from time to time and in connection with each such borrowing shall have authority

- (i) to secure such borrowing by one or more mortgages, deeds of trust, pledges, liens, security interests and other charges and encumbrances upon or with respect to the future premium income and/or any other assets of the Company and/or
- (ii) to cause the obligations of the Company under policies issued by the Company to be subordinated or postponed to the obligations of the Company to the lender or lenders in such borrowing, all in such manner and upon such terms as the Board of Directors shall determine.

19. Shareholders' and Policyholders' Claims.

19.01 The Board of Directors shall have authority, whenever it determines in its discretion that the solvency of the Company would be threatened by making payment of the Company's obligations under policies issued by the Company, to cause such delay in the payment of such obligations as it deems appropriate to avoid the threat to the solvency of the Company and in connection therewith to establish priorities in time with respect to the payment of such obligations. In administering any such priorities in time of payment, the Chief Executive Officer of the Company or his designee shall exercise his authority pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine and in such manner as he deems appropriate to establish an equitable basis for the distribution and timing of payments as between parties under policies issued by the Company.

19.02 Each party agrees that all obligations of the Company to such party shall in all respects be subordinated in right of payment to the payment of all obligations of the Company to each officer and employee, or former officer and employee, of the Company or any subsidiary of the Company.

20. Arbitration.

20.01 The parties shall endeavor to resolve amicably by mediation any dispute, controversy or claim arising out of or relating to this Agreement, including any question regarding its existence, validity, cancellation or termination.

If a dispute, controversy or claim is not settled within forty five (45) calendar days after a party sends a written request for mediation to the other party, such dispute, controversy or claim shall be finally resolved by arbitration. The place of arbitration shall be in London, England. The language of arbitration shall be English.

The arbitration shall be commenced by a request for arbitration by the claimant, delivered to the respondent. The request for arbitration shall set out the nature of the claim(s) and the relief requested.

The arbitral tribunal shall consist of three arbitrators, one selected by the claimant in the request for arbitration, the second selected by the respondent within thirty (30) calendar days of receipt of the request for arbitration, and the third, who shall act as presiding arbitrator, selected jointly by the claimant and the respondent within thirty (30) calendar days of the selection of the second arbitrator. If any arbitrators are not selected within these time periods, the London Court of International Arbitration shall, upon request of any party, make the selection(s).

If a vacancy arises, the vacancy shall be filled by the method by which the arbitrator was originally appointed, provided, however, that if a vacancy arises during or after the hearing on the merits, the remaining two arbitrators may proceed with the arbitration and render an award.

The arbitrators shall be independent and impartial. Any challenge of an arbitrator shall be decided by the London Court of International Arbitration.

The arbitral tribunal shall render its award within ninety (90) calendar days following the conclusion of the final hearing. The award shall be final and binding on the parties thereto. The parties waive any right to appeal and/or seek collateral review of the award of the arbitral tribunal by any court or other body to the fullest extent permitted by applicable law, including, without limitation, application or appeal under Sections 45 and 69 of the English Arbitration Act of 1996.

Any order as to the costs of the arbitration shall be in the sole discretion of the arbitral tribunal, who may direct to whom and by whom and in what manner they shall be paid.

21. Governing Law.

21.01 This Agreement shall be interpreted and construed under the internal laws of Bermuda.

22. New Parties.

22.01 This Agreement and all of the Exhibits hereto shall apply to any party newly becoming a party hereto to the same extent and with the same effect as existing parties hereto otherwise similarly situated.

23. Counterparts.

23.01 This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one instrument.

DEFINITIONS:

The definitions of the terms defined in exhibits hereto are incorporated by reference into this Shareholders' Agreement.

“Coverage Options Endorsement” means Exhibit F hereto.

“Everen Limited Financial Security Requirements” means those requirements, procedures, tests, and policies as detailed in the following documents approved by the Board of Directors on May 9, 2012 and as amended by the Board of Directors from time to time:

1. Everen Limited Financial Security Procedures: Premium Payments and Collateral
2. Everen Limited Procedures for LOC Administration
3. Everen Limited Member and Prospect Security Review
4. Everen Limited Financial Security Procedures: Financial Ratio Tests
5. Everen Limited Premium Payment Policy.

“Everen Limited Membership Criteria” means the membership criteria first approved by the Board of Directors on December 9, 2004 and as amended by the Board of Directors from time to time.¹

¹ The Everen Limited Membership Criteria, first approved by the Board of Directors on December 9, 2004, and subsequently amended on December 10, 2020, are as follows:

Everen Limited Membership Criteria

The definitions of the terms defined in the Everen Limited (“Everen”) Shareholders' Agreement and exhibits thereto are incorporated by reference into this Membership Criteria.

1. Quantitative Factors:

- The company shall satisfy the definition of “Energy Company” in the Everen Limited Eligibility Requirements (Exhibit B to the Shareholders' Agreement).
- The company shall have Unmodified Gross Assets of not less than one billion dollars (\$1,000,000,000). Deeming Unmodified Gross Assets to one billion dollars (\$1,000,000,000) is not permitted.
- If rated, the applicants shall have a minimum credit rating of S&P BBB- or Moody's Baa3. Applicants with ratings below these levels are not eligible for membership.
- Applicants without an S&P or Moody's rating have 2 options:
 - Pass 4 of 6 internal financial ratio tests and post collateral acceptable to Everen
 - Obtain a shadow investment-grade rating
- Applicants shall have an acceptable ten (10) year loss history, attested to by an officer of the company.

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- The company shall access Everen directly (i.e. without the intervention of a state-owned or other third-party insurance company).
 - Companies headquartered in countries that are (1) categorized as “emerging market economies” (as defined in the MSCI EMI) or (2) deemed to be below emerging market economy status shall not represent more than 10% of the total Standard Weighted Gross Assets of all Assureds.
 - The company shall submit annually, prepared to Everen’s satisfaction, a report of Unmodified Gross Assets and Named Windstorm Unmodified Gross Assets subject to all the requirements of Section IV of the Rating & Premium Plan.
 - The company shall submit annually, prepared to Everen’s satisfaction, a declaration (the “Sanctionable Activity Gross Asset Declaration”) of the gross value of property to be excluded from Unmodified Gross Assets pursuant to paragraph IV.C(3) of the Rating & Premium Plan (including zero (0) gross value, if applicable) broken down by Sector and country. The Sanctionable Activity Gross Asset Declaration shall be certified by an officer of the company,
 - If the company is government-owned it must either
 - (1) have substantial energy investments and operations (other than carried interests or the equivalent) in association with other energy companies or
 - (2) have substantial energy investments and operations in situations where it operates outside its own national borders or
 - (3) if agreed by Everen, has securities listed and actively traded on leading securities exchanges outside its national borders in its own name.
 - All of the company’s energy operations shall be covered by Everen unless otherwise agreed by Everen.
 - Everen may impose other terms and conditions on applicants that are necessary, in its sole discretion, to avoid adverse selection or unacceptable risk.

2. **“Qualitative” Factors:**

- Business operations that represent an appropriate spread of risk and “fit” within a mutual framework.
- Legal entities whose energy operations and investments represent carried interests or the equivalent will generally not be considered eligible.
- Prospective members conducting joint venture operations with other Everen members and, in particular, acting in the role of operator of such ventures will, in general, be viewed favorably.
- Demonstrated track record of maintaining world-class health, environment and safety standards.

Hamilton, Bermuda
December, 2020

“Rating & Premium Plan” means Exhibit E hereto.

“Three-Quarters' Directors Vote” means the approval of at least seventy five percent (75%) of the total number of Directors of the Company holding office (for purpose of such approval excluding any Director who abstains upon the vote, or who consents at any time not to participate on the vote, with respect to such approval).

SIGNATURES:

SHAREHOLDERS:

Apache Corporation
Arena Energy, LLC
BASF SE
Beach Energy Limited
BM Insurance Company Limited
Bruce Power L.P.
Buckeye Partners, L.P.
Cenovus Energy, Inc.
CEZ a.s.
Chevron Corporation
Chevron Phillips Chemical Company LLC
Colonial Enterprises Inc.
Colonnade Insurance Company
Delek US Holdings, Inc.
Drummond Company, Inc.
DTE Energy Company
Ecopetrol S.A
Edison International
Electricité de France
Energy Transfer, LP
Eni Insurance DAC
Equinor Insurance AS
Federated Co-operatives Limited
Formosa Plastics Corporation, USA
Gaviota Re, S.A.
Highwood Limited
HF Sinclair Corporation
ICM Assurance Ltd.
Inter Pipeline Ltd.
Jamestown Insurance Company Limited
LOOP LLC
Los Angeles Department of Water & Power
Lyondell Chemical Company
Marathon Oil Company
Marathon Petroleum Corporation
MOL Hungarian Oil and Gas Public Limited Company
Motiva Enterprises LLC
Murphy Oil Corporation
North West Redwater Partnership
Novalta Insurance Ltd.
Omnium Reinsurance Company S.A.
OMV Aktiengesellschaft
Opcal Insurance, Inc.
Origin Energy Insurance Singapore Pte Ltd.
Ørsted A/S
Paramount Resources
Pembina Pipeline Corporation
Phillips 66 Company
Plains All American Pipeline, L.P.
Puerto Rico Electric Power Authority
Royal Vopak N.V.
Sanro Insurance Pte Ltd.
Sempra Energy
Sooner Insurance Company
Suncor Energy Inc
Tagus Re S.A
Teide Re, S.A.
The Williams Companies, Inc.
TransCanada PipeLines Limited
Trimark Insurance Co., Ltd.
United Refining Company
WelCap Insurance Pte Ltd.
Westlake Chemical Corporation
Yara International ASA

SHAREHOLDER:

BY: _____

TITLE: _____

DATE: _____

WITNESS: _____

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FORM C2
The Companies (Incorporation by Registration) Act, 1970
 AMENDED MEMORANDUM OF ASSOCIATION
 OF

OLL INSURANCE LIMITED

(hereinafter referred to as "the Company").

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

NAME	ADDRESS	BERMUDIAN STATUS (Yes/No)	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
John A. Ellison	Smith's, Bermuda	Yes	British	One
N.B. Dill, Jr.	Pembroke, Bermuda	Yes	British	One
H.C. Butterfield	Pembroke, Bermuda	Yes	British	

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the provisional directors of the Company in pursuance of Section 5 of The Companies Act, 1948, in respect of the shares allotted to us respectively.

3. The Company is to be an exempted/~~local~~* Company as defined by the Companies (Incorporation by Registration) Act, 1970.
4. The Company has power to hold land situate in these Islands not exceeding in all, including the following parcels:--
5. The minimum share capital of the Company shall be U.S. \$150,050, divided into 15 shares of par value \$10,000 each and 50 shares of par value \$1.00 each. No voting rights will be attached to the \$1.00 shares.
~~divided into shares of a par-value of not less than~~ each, and having a
~~proposed par-value of~~
6. The objects for which the Company is formed and incorporated are:--
- (1) To engage in and carry on outside these Islands from a principal place of business in these Islands the business of insurance, re-insurance, co-insurance and counter-insurance of all kinds and guarantee and indemnity business of all kinds, and in particular, without prejudice to the generality of the foregoing words, to engage in and carry on life, accident, sickness, hospital, health, fire, marine, surety, automobile, aviation, ship, steam boiler, plate glass, windstorm, hailstorm, earthquake, flood, war risk, insurrection, riot, civil commotion, strike, employers' liability, workmen's compensation, disease, survivorship, failure of issue, bonding and indemnity, burglary and robbery, theft, fidelity, transit and other casualty insurance, including loss from the interruption of business due to any of the foregoing;

* Delete as applicable.

- (2) To reinsure, co-insure and counter-insure all or any risks undertaken by the Company.
- (3) All those objects set out in paragraphs (l), (m), (n), (p), (r), (s), (u) and (za) of the First Schedule to The Companies (Incorporation by Registration) Act, 1970.
- (4) To carry out the objects specified in its Memorandum of Association and all transactions ancillary thereto subject to the provisions of The Companies (Incorporation by Registration) Act, 1970, and to any other applicable law.
- (5) To engage in such other kind or kinds of business to the extent necessarily or properly incidental to the kind or kinds of insurance business which it is authorized to do.

Nothing herein enumerated shall require the Company to insure every kind of risk which it is authorized to insure.

7. (1) The Company shall, pursuant to Section 42A of the Companies Act 1981, have the power to purchase its own shares subject to the company conforming with the requirements of the Insurance Act 1978 and with any conditions imposed or directions given thereunder.

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.4.88

Signed by each subscriber in the presence of at least one witness attesting the signature thereof:—

 <hr style="border-top: 1px dotted black;"/>	 <hr style="border-top: 1px dotted black;"/>
  <hr style="border-top: 1px dotted black;"/>	 <hr style="border-top: 1px dotted black;"/>
<hr style="border-top: 1px dotted black;"/>	 <hr style="border-top: 1px dotted black;"/>
<hr style="border-top: 1px dotted black;"/>	<hr style="border-top: 1px dotted black;"/>

(Subscribers)

(Witnesses)

SUBSCRIBED this 23rd day of November, 1971.
 FILED this day of 197 .

PERMIT (To be endorsed)

PERMIT NO. 329

PERMISSION IS HEREBY GIVEN FOR THE FORMATION
AND INCORPORATION OF AN EXEMPTED COMPANY WITH
THE MEMORANDUM OF ASSOCIATION ON WHICH THIS
PERMIT IS ENDORSED, AND BY THE NAME THEREIN
SPECIFIED.

..... *AHS*

MEMBER FOR FINANCE

DATED THIS 6th day of December, 1971 .

STAMP DUTY (To be affixed)

* The relevant objects in the First Schedule are annexed to this Exhibit A.

Registrar of Companies Office

Hamilton, Bermuda

CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF ASSOCIATION

THIS IS TO CERTIFY that a Memorandum
of Association of OIL INSURANCE LIMITED
was deposited in the Office of the Registrar
of Companies on the 14th day of December 1971
in accordance with the provisions of "The
Companies (Incorporation by Registration)
Act, 1970".

IN WITNESS WHEREOF I have
hereto set my hand this
14th day of December 1971



P.J. Hardy
Registrar of Companies

Capital of Company US\$150,050.00

Stamp duty paid BD\$357.00

**First Schedule to
The Companies (Incorporation by Registration) Act, 1970**

- (1) to acquire any personal property including commercial commodities, options and rights of any description whatsoever situated outside these Islands and to hold as investments, and to sell, dispose of, mortgage, lease, let and develop the same as the company may from time to time determine;
- (m) to acquire by purchase or otherwise and hold any stocks, shares, bonds, debenture stock obligations, mortgages or securities created or issued outside these Islands or of any other company within these Islands which shall be an exempted company and any bonds or debentures issued by the Government or any public authority, and to sell, exchange or vary the same as the company may from time to time determine;
- (n) to lend or advance money -
- (i) to persons outside these Islands;
 - (ii) within these Islands to any other exempted company, to an exempted partnership or to any resident corporation incorporated abroad;
 - (iii) to the Government or any public authority, and to place money on deposit with any bank licensed under the Banks Act 1969 or any person for the time being licensed to solicit and accept deposits from the public under any provision of law;
- (p) to acquire by purchase or otherwise the goodwill, rights, property and assets of any person, firm or company engaged in any business outside these Islands and to hold as an investment and to sell or otherwise dispose of the same as the company may from time to time determine;
- (r) to acquire by purchase, lease, bargain, exchange or otherwise any real property situated outside these Islands to hold as an investment and to sell, dispose of, mortgage, lease, let the same as the company may from time to time determine;
- (s) to develop and improve any land or other property acquired by the company;
- (u) to borrow or raise or secure the payment of money in such manner as the company may think fit;
- (za) to carry out all or any of the objects of the company as principals or agents or in partnership or conjunction with any other person, firm, association or company, or by means of any subsidiary or auxiliary company and in any part of the world;
- (zb) in the case of an exempted company whose objects include powers to write contracts of insurance, in these Islands and elsewhere to reinsure, co-insure and counter-insure any risks undertaken by the company.

CERTIFICATE OF INCORPORATION

IN RESPECT OF

OIL INSURANCE LIMITED

WHEREAS

1. I, Peter John Hardy Registrar of Companies, have satisfied myself that the Memorandum of Association of

OIL INSURANCE LIMITED

has been duly endorsed with a permit granted on the 6th day of December 1971 by the Member of Executive Council responsible for Finance under the provisions of section 9 of the Companies (Incorporation by Registration) Act, 1970, and that the said Memorandum has been duly stamped in accordance with the provisions of the Stamp Duties Act, 1919;

2. The persons who subscribed their names to the said memorandum, did, on the 14th day of December 1971, (being a day within six months after the date of the grant of the said permit), duly file the said Memorandum with me, the said Registrar of Companies;

3. I, the said Registrar of Companies did, on the 14th day of December 1971, in accordance with the provisions of section 13 of the Companies (Incorporation by Registration) Act, 1970, register in the Register maintained by me under provisions of the said section, the said Memorandum, that is to say "

OIL INSURANCE LIMITED

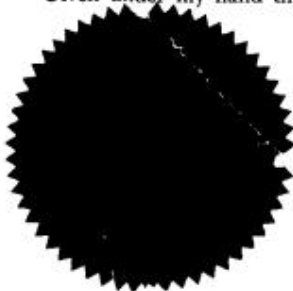
" and did specify in the entry in the said Register relating to the said Company that the status of the said Company was that of a local/exempted company;

NOW THEREFORE I, the said Registrar of Companies, do hereby in accordance with the provisions of section 13 of the Companies (Incorporation by Registration) Act, 1970, issue this Certificate of Incorporation and do certify that on the 14th day of December 1971

OIL INSURANCE LIMITED

was registered by me in the Register maintained by me under the provisions of the said section and that the status of the said Company is that of a local/exempted company and I do further certify that the facsimile copy of the Memorandum of Association attached hereto is a true copy of the said Memorandum of Association of which it purports to be a copy.

Given under my hand this 14th day of December, 1971.



P. Hardy
Registrar of Companies

Registrar of Companies Office

Hamilton, Bermuda

CERTIFICATE OF DEPOSIT OF MEMORANDUM OF INCREASE OF CAPITAL

THIS IS TO CERTIFY that a Memorandum of Increase of Capital of OIL INSURANCE LIMITED was deposited in the Office of the Registrar of Companies on the 28th day of January 1972.

IN WITNESS WHEREOF I have hereto set my hand this 28th day of January 1972.



P.J. Hardy
Registrar of Companies

Capital prior to Increase	US\$150,050.00
Amount of Increase	<u>US\$ 50,000.00</u>
Present Capital	<u>US\$200,050.00</u>
Stamp duty paid	BD\$115.20

Registrar of Companies Office

Hamilton, Bermuda

CERTIFICATE OF DEPOSIT OF MEMORANDUM OF INCREASE OF CAPITAL

THIS IS TO CERTIFY that a Memorandum of Increase of Capital of OIL INSURANCE LIMITED, was deposited in the Office of the Registrar of Companies on the 7th day of September 1972.

IN WITNESS WHEREOF I have
hereto set my hand this
7th day of September 1972.



P.J.Hardy
Registrar of Companies

Capital prior to Increase	US\$200,050.00
Amount of Increase	US\$ 50,000.00
	<hr/>
Present Capital	US\$250,050.00
	<hr/>
Stamp duty paid	BD\$125.40

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Capital

of

OIL INSURANCE LIMITED


was deposited in the Office of the Registrar of Companies

on

18th day of March, 1977

IN WITNESS WHEREOF I have
hereto set my hand this

18th day of March, 1977.


Acting Registrar of Companies

Capital prior to increase US\$250,050.00

Amount of increase US\$280,000.00

Present Capital US\$530,050.00

Stamp Duty Paid BD\$ 700.00



THE COMPANIES ACT 1981
**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital
of

OIL INSURANCE LIMITED

was deposited in the Office of the Registrar of Companies

on the

7th day of April, 1986

IN WITNESS WHEREOF I have
hereto set my hand this

7th day of April, 1986


for Registrar of Companies

Capital prior to increase US\$ 530,050.00

Amount of increase US\$ 220,000.00

Present capital US\$ 750,050.00

Stamp Duty Paid BD\$550.00

RC15



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital
of

OIL INSURANCE LIMITED

was delivered to the Registrar of Companies on the **26th** day of **July, 2002** in
accordance with section 45(3) of *the Companies Act 1981* ("the Act").



Given under my hand and the Seal of
the Registrar of Companies this **31st**
day of **July, 2002**.


for Acting Registrar of Companies

Capital prior to increase: US\$ 750,000.00

Amount of increase: US\$ 250,000.00

Present Capital: US\$1,000,000.00



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital
of

OIL INSURANCE LIMITED

was delivered to the Registrar of Companies on the 3rd day of **June, 2003** in
accordance with section 45(3) of *the Companies Act 1981* ("the Act").



Given under my hand and Seal of the
REGISTRAR OF COMPANIES this
5th day of **June, 2003**.


for Registrar of Companies

Capital prior to increase: US\$1,000,000.00

Amount of increase: US\$1,000,000.00

Present Capital: US\$2,000,000.00



BERMUDA

**CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL**

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital of

OIL INSURANCE LIMITED

was delivered to the Registrar of Companies on the **23rd** day of **May, 2006** in
accordance with section 45(3) of *the Companies Act 1981* ("the Act").



Given under my hand and Seal of the
REGISTRAR OF COMPANIES this
20th day of **June, 2006**


for Registrar of Companies

Capital prior to increase: US\$2,000,000.00

Amount of increase: US\$1,000,000.00

Present Capital: US\$3,000,000.00



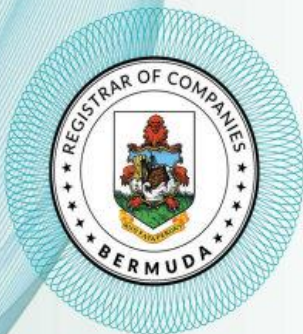
GOVERNMENT OF BERMUDA
Registrar of Companies

The Companies Act 1981

CERTIFICATE OF CHANGE OF NAME

I **HEREBY CERTIFY** that in accordance with section 10 of **the Companies Act 1981** OIL INSURANCE LIMITED by resolution and with the approval of the Registrar of Companies has changed its name and was registered as EVEREN LIMITED on the 28th day of June 2022.

Kenneth Joaquin
Registrar of Companies
28th day of June 2022



BYE-LAWS

Everen Limited

INTERPRETATION

1. In these Bye-Laws the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:

- (1) **“Member”** means the person registered in the Register of Members as the holder of shares in the Company and means a Shareholder of the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons as the context so requires;
- (2) **“Notice”** means written notice unless otherwise specifically stated;
- (3) **“the Act”** means “The Companies Act, 1981” and every Statutory modification thereof;
- (4) **“the Company”** means the Company for which these Bye-Laws are approved and confirmed;
- (5) **“Secretary”** means the person appointed to perform the duties of Secretary of the Company and includes any Assistant or Acting Secretary;
- (6) **“Auditor”** includes any individual or partnership;
- (7) **“Registered Address”** means the address of a Member as shown in the Register of Members;
- (8) **“Mailing”** includes posting or forwarding by courier service or transmitting by, facsimile, electronic mail or other such methods of transmitting written communications;
- (9) **“Agreement”** means the Shareholders' Agreement of the Company which has been signed by all holders of the Company's Class A shares of par value ten thousand dollars (\$10,000) each (“A” shares”).
- (10) **“Shareholder Representative”** means a person who is an employee or officer of the Member or its subsidiaries or an Energy Company designated as such on an in-force policy of the Company and is authorized to act on behalf of the Member with regard to the Company.
- (11) **“Eligible Person”** means a person eligible to be nominated as a Director in accordance with Bye-Law 4(1).

2. In these Bye-Laws, unless there is something in the subject or context inconsistent with such construction:

- (1) words importing the plural number shall be deemed to include the singular number and words importing the singular number shall be deemed to include the plural number;
- (2) words importing the masculine gender only include the feminine gender;
- (3) words importing persons include companies or associations or bodies of persons whether corporate or not;
- (4) the words:
 - (a) “may” shall be construed as permissive;
 - (b) “shall” shall be construed as imperative;
- (5) unless the context otherwise requires words or expressions contained in these Bye-Laws shall bear the same meaning as in the Act;

3. Expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography, electronic mail and other modes of representing words in a visible form.

DIRECTORS

4. (1) The number of Directors shall be not less than seven (7) nor more than seventeen (17), as the Members may from time to time determine. To be eligible for nomination, a Director must be an officer or employee of a Member or its subsidiaries or an Energy Company designated as such on an in-force policy of the Company at the time of the nomination or, if the Member is a captive insurer, a parent company of the captive insurer or a subsidiary of that parent company. The Directors shall be elected at each Annual General Meeting of the Company and a ballot cast for the election of Directors shall be invalid unless cast for the full number of Directors to be elected. All Directors shall hold office until their respective successors are elected or until the office of any such Directors shall be vacated by death, resignation, removal or other disqualification. In the event that there is a vacancy in the office of any Director due to death, resignation, removal or other disqualification such vacancy may, subject to these Bye-Laws, be filled with an Eligible Person by the Board of Directors or, if the Board of Directors so determines, by the Members at any Special General Meeting of the Company. Any person appointed to fill a vacancy shall hold office for the remainder of the term of the Director whose death, resignation, removal or other disqualification resulted in the vacancy. Members shall not be entitled to vote cumulatively in the election of Directors.
- (2) Any authorized Shareholder Representative may nominate an Eligible Person to be considered for election as Director by submitting a nomination to the Secretary of the Company in writing. Such writing must be received by the Secretary of the Company no later than the date established by the Board of Directors for such nominations if such a date has been established, or, if no such date has been established, then thirty (30) days prior to the date set for the election.

(3) The Board of Directors shall manage and exercise general supervision over the affairs of the Company, and shall be responsible for the correct keeping of the books, and for the safekeeping of all moneys and securities of the Company, and shall submit their accounts and vouchers to the auditor whenever required so to do.

(4) The Members may, at any Special General Meeting convened and held in accordance with these Bye-Laws, remove a Director at any time.

Provided that the notice of any such Meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the Meeting and at such Meeting such Director shall be entitled to be heard on the motion for his removal.

(5) The Directors may, at any Meeting of the Board of Directors convened and held in accordance with these Bye-Laws, remove a Director at any time.

Provided that the notice of any such Meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be noticed to such Director in accordance with the provisions of Bye-Law 6; and provided further that such removal shall be upon the affirmative vote of no less than all the Directors in attendance at the Meeting minus two (2).

(6) A vacancy on the Board of Directors created by the removal of a Director under the provisions of subparagraph (4) may be filled by an election of the Members at the Meeting at which such Director is removed or, in the absence of such election, may be filled by the Board of Directors with a qualified person who shall hold office until the next election of Directors. A vacancy on the Board of Directors created by the removal of a Director under the provisions of subparagraph (5) may be filled by the Board of Directors or, if the Board of Directors so determines, by the Members at any Special General Meeting of the Company.

(7) The continuing Directors may act notwithstanding any vacancy in their number but, if and so long as their number is reduced below the number fixed by or pursuant to Bye-Law 7 as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of (i) summoning a General Meeting of the Company or (ii) preserving the assets of the Company.

(8) The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-Laws or is prohibited from being a Director under any provision of law;

(b) becomes bankrupt or makes any arrangement or composition with his creditors generally;

(c) dies; or

(d) resigns his office by notice in writing to the Company, if accepted by the Board of Directors, said acceptance not to be unreasonably withheld.

5. The Directors may meet for the transaction of business, adjourn and otherwise regulate their Meetings as they see fit.

6. A Meeting of the Board of Directors may be convened by the Secretary or by any two Directors. The Secretary shall convene a Meeting of the Board of Directors whenever he shall be required so to do by the President or any Senior Vice-President, or by any two Directors. At least five (5) days' prior Notice by electronic mail or facsimile or at least twenty (20) days' prior Notice by posting or by courier delivery of such notice to each Director, shall be given of a Meeting of the Board of Directors. Notwithstanding the foregoing, any Director may consent to shorter notice of any Meeting by a writing signed by him and any Director shall be deemed to have waived notice of any Meeting attended by him. Meetings of the Board of Directors may be held without notice if all Directors are present, and a resolution in writing signed by all the Directors shall be as valid and effective as if passed by a Meeting of the Board of Directors duly called and constituted.

7. (1) At a Meeting of the Board of Directors, a majority of the Directors then in office shall form a quorum for the transaction of business and all questions shall be decided by a majority of votes, except as noted in these Bye-Laws or the Agreement. In case of an equality of votes the motion shall be deemed to have been lost.

(2) Directors may participate in any Meeting of the Board by means of conference telephone or other communications equipment through which all persons participating in the Meeting can communicate with each other simultaneously and instantaneously and such participation shall constitute presence at a Meeting as if those participating were present in person.

(3) No regulation or alteration to these Bye-Laws made by the Company in General Meeting shall invalidate any prior act of the Board of Directors which would have been valid if that regulation or alteration had not been made.

8. Any action taken by the Board of Directors with respect to the following matters shall not be effective unless also ratified by the holders of not less than seventy five percent (75%) of the total votes present at a General Meeting of the Company, but in no event less than sixty five percent (65%) of the total votes eligible to be cast by the Members of the Company, each Member entitled to have one vote together with an additional vote in respect of each full ten thousand dollars (\$10,000) charged to it of Cumulative Allocable Premium as defined in Exhibit E to the Agreement; provided, however, that no Member, so long as there are more than eleven (11) Members entitled to vote, will be allowed votes which represent more than nine and a half percent (9.5%) of the total voting power, computed as provided in Bye-Law 28:

(1) dissolution or the sale of substantially all of the Company assets;

(2) any change in the nature of the business to be conducted by the Company; and

(3) any change in the Memorandum of Association or Bye-Laws or amendments thereof.

This Bye-Law is subject to other provisions relating to voting contained in the Agreement.

9. (1) Any individual who is a Director or his firm, partner or company may act in a professional capacity for the Company and he or his firm, partner or company shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorize a Director or the firm, partner or company of such Director to act as auditor of the Company.

(2) A Director who in any way, whether directly or indirectly, has a financial interest in a contract or proposed contract with the Company shall declare the nature of his interest at a Meeting of the Directors.

(3) A Director shall not vote in respect of any contract or arrangement in which he has a financial interest and, if he shall do so, his vote shall not be counted nor shall he be counted in the quorum present at the Meeting; but these prohibitions may at any time, whether prospectively or retrospectively, be waived, suspended or released to any extent and either generally or in respect of any particular contract, arrangement or transaction, by the Company in General Meeting.

(4) Except as permitted by Section 96 of the Act, no loan to a Director shall be made by the Company and no guarantee or provision of security in connection with a loan to a Director shall be entered into or provided by the Company.

10. All acts done bona fide by any Meeting of the Board of Directors or by a Committee of the Board of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

11. The Board of Directors may delegate any of their powers to a committee (including the power to sub-delegate) consisting of three or more of the Directors, but every such committee shall conform to such directions as the Board of Directors shall impose on them. The proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board of Directors so far as the same are applicable and have not been superseded by directions imposed by the Board of Directors.

12. The Board of Directors may from time to time and at any time authorize any Director or Officer to act on behalf of the Company for any specific purpose and in connection therewith to execute any agreement, deed, document or instrument on behalf of the Company.

13. The Board of Directors may from time to time and at any time by power of attorney appoint any company, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Bye-Laws) and for such period and subject to such conditions as they may think fit; and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney. Such attorney or attorneys may, if so authorized under the seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Company seal.

14. Subject to Bye-Law 8:

(1) the Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(2) subject to the provisions of Section 42A of the Act, the Board of Directors may exercise all the powers of the Company to purchase all or any part of its own shares; and

(3) the Board of Directors may authorize, in conjunction with the issue of any share, the payment of such commission and brokerage fees as may be permitted by law; and

(4) the Board of Directors may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to Section 132G of the Act.

OFFICERS

15. The Officers of the Company shall consist of a President, one or more Vice-President(s), a Secretary and such additional Officers as the Board of Directors may from time to time determine, all of whom shall be deemed to be Officers for the purposes of the Act and these Bye-Laws. The President shall be a Director and the Chief Executive Officer of the Company and is authorized to conduct the day-to-day business of the Company and the Board of Directors may from time to time entrust to and confer upon such President such powers and duties as it deems appropriate for the transaction or conduct of such business.

16. All Officers shall be appointed or elected by the Board of Directors and shall hold office during the pleasure of the Board of Directors.

17. The Board of Directors may appoint or elect a Chairman and may also appoint or elect a Deputy Chairman, each of whom shall hold such office during the pleasure of the Board of Directors; neither the Chairman, if there be one, nor the Deputy Chairman, if there be one, shall be an executive officer of the Company. The Chairman, if there be one, and if not or in his absence, the Deputy Chairman, if there be one, shall act as Chairman at all Meetings of the Members or of the Directors at which he is present. In the absence of both of them, the President shall act as Chairman or, in his absence, a Chairman shall be appointed or elected by those present at the Meeting.

18. The Secretary shall attend all Meetings of the Company and of the Directors and shall keep correct minutes of such Meetings and enter the same 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 may be prescribed by the Directors. The Secretary shall receive such remuneration as the Directors may from time to time determine.

19. The Officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board of Directors from time to time. By way of illustration, the Board of Directors may, to the full extent permitted by Bermuda law, delegate to the President of the Company (with authority to the President to redelegate to any officer or officers of the Company) any such powers of the Board of Directors as the Board of Directors may in their discretion determine, provided, however, that the Board of Directors may not delegate their powers as to any action which under the Shareholders' Agreement of this Company and the Exhibits thereto requires more than a majority of votes.

MINUTES

20. The Board of Directors shall cause Minutes to be duly entered in books provided for the purpose:

- (1) of all elections and appointments of Officers;
- (2) of the names of the Directors present at each Meeting of the Board of Directors and of any Committee of the Board of Directors;
- (3) of all resolutions and proceedings of each General Meeting of the Members, Meetings of the Board of Directors and Meetings of Committees of the Board of Directors.

MEETINGS

21. The Annual General Meeting of the Company shall be held within four (4) months of the preceding calendar year on a day and at a time and place to be fixed by the Board of Directors upon at least thirty (30) days' Notice to each of the Members, which shall be given by Mailing such Notice to each Member at his address as registered in the Register of Members and such Notice shall state the time and place of the Meeting. An agenda setting out the purposes of the Meeting shall be given to each Member by Mailing such agenda to each Member's address as registered in the Register of Members at least fifteen (15) days prior to the Annual General Meeting.

22. The Board of Directors may convene a Special General Meeting of the Company whenever in its judgment such a Meeting is necessary upon at least five (5) days' Notice to each of the Members, which shall be given by Mailing such Notice to each Member at his address as registered in the Register of Members and such notice shall state the time, place and as far as practicable the purposes of the Meeting.

23. Notwithstanding anything herein, the Board of Directors shall, on the requisition of Members holding at the date of the deposit of the requisition not less than ten percent (10%) of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at General Meetings of the Company, forthwith proceed to convene a Special General Meeting of the Company and the provisions of section 74 of the Act shall apply.

24. (1) A Meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Bye-Laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an Annual General Meeting; and (ii) by ninety five percent (95%) of the Members entitled to attend and vote thereat in the case of any other Meeting.

(2) The Board of Directors may fix any date as the record date for determining the Members entitled to receive Notice of and to vote at any General Meeting of the Company.¹

(3) The accidental omission to give Notice of a General Meeting to, or the non-receipt of a Notice of a General Meeting by, any person entitled to receive Notice shall not invalidate the proceedings at that meeting.

(4) If any Member shall, in person or by duly authorized attorney, waive Notice of any Meeting, whether before or after such Meeting, Notice shall not be required as to such Member.

25. At any General Meeting of the Company the holders of seventy five percent (75%) of the total votes eligible to be cast represented either in person or by proxy shall form a quorum for the transaction of business, and if a quorum does not assemble within an hour after the time appointed for the Meeting, the Meeting may be adjourned to a future day of which Notice shall be given by Mailing to each Member at least ten (10) days before the Meeting takes place.

26. Any General Meeting may be adjourned by the vote of the majority of the shares eligible to vote present in person or by proxy but no business shall be transacted at an adjourned Meeting except the business left unfinished at the previous Meeting unless Notice of such new business and of the adjourned Meeting has been given as in the case of the original Meeting.

¹ On July 22, 2020 the Board of Directors resolved that effective January 1, 2021 the record date shall be February 1.

27. A resolution in writing signed by all of the Members entitled to attend and vote thereat on such resolutions, which may be in counterparts, shall be as valid and as effectual as if it had been passed by a General Meeting duly called and constituted.

VOTING AT MEETINGS

28. (1) Each Member who is the owner of an “A” share shall have at any Meeting of the Company one vote for each ten thousand dollars (\$10,000) paid for the share or shares of “A” stock held by it, together with an additional vote in respect of each full ten thousand dollars (\$10,000) charged to it of Cumulative Allocable Premium as defined in Exhibit E the Agreement; provided, however, that no Member will be allowed votes, including, at the discretion of the Board of Directors, votes attributed to such “Member” under the attribution rules of Section 958 of the United States Internal Revenue Code, which represent more than nine and a half percent (9.5%) of the total voting power. This limitation shall apply only so long as there are more than eleven (11) Members owning “A” shares. The number of votes of each Member with more than nine and a half percent (9.5%) of the total votes, computed without reference to the nine and a half percent (9.5%) limitation, shall be reduced by the number of votes necessary to cause the remaining number of votes of each such Member to be not more than nine and a half percent (9.5%) of the number of total votes after giving effect to such reductions. In the event such reductions of the total number of votes cause the number of votes of any Member to become more than nine and a half percent (9.5%) of the reduced total, the formula shall be reapplied to eliminate votes of those Members in order to reduce the votes of those Members to not more than nine and a half percent (9.5%) of the total number of votes after the further reduction. The following formula shall be used to determine the remaining voting percentage for each Member for whom a reduction in votes is necessary:

R = Factor used to compute vote reduction.

ED = Sum of the differences between nine and a half percent (9.5%) and the voting percentage of each Member whose original voting percentage is more than nine and a half percent (9.5%) minus the sum of the differences between nine and a half percent (9.5%) and the original voting percentages of those Members whose voting percentages would have become more than nine and a half percent (9.5%) after application of the formula only to those originally over nine and a half percent (9.5%).

EP = Sum of the voting percentages of those Members with more than nine and a half percent (9.5%) of the total votes originally plus the voting percentages of those Members who would be over nine and a half percent (9.5%) after the initial application of the formula only to those originally over nine and a half percent (9.5%).

$$R = \frac{9.5}{1 + \frac{ED}{100 - EP}}$$

When R has been determined for each such Member, R shall be subtracted from its original percentage, determined without regard to the nine and a half percent (9.5%) limitation. The resulting percentage difference for each such Member shall be multiplied by the total votes of all Members determined without regard to the nine and a half percent (9.5%) limitation. The product rounded up to the nearest whole vote shall be the vote reduction for each such Member. In those circumstances where the application of attribution rules under Section 958 of the United States Internal Revenue Code is applicable, the application thereof and the allocation of votes so as to

ensure that the limitation of voting power shall not exceed the nine and a half percent (9.5%) limitation on voting power set forth herein shall be made by the Board of Directors in its discretion. Notwithstanding the foregoing, the voting power of a Member shall not, without its consent, be reduced as a result of the application of the attribution rules of Section 958 of the United States Internal Revenue Code unless Subpart F income under the United States Internal Revenue Code from the Company would, in the absence of such application, be allocable to such Member.

(2) At any General Meeting of the Company a declaration by the Chairman that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the Minutes of the proceedings of the Company shall, subject to the provisions of subparagraph (3), be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such question.

(3) Notwithstanding the provisions of subparagraph (2), at any General Meeting of the Company it shall be lawful, in respect of any question proposed for the consideration of the Members (whether before or on the declaration of the result of a show of hands as provided for in subparagraph (2)), for a poll to be demanded by any of the following persons:

- (a) the Chairman of such Meeting; or
- (b) at least three Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than ten percent (10%) of the total voting rights of all the Members having the right to vote at such Meeting.

(4) A poll demanded in accordance with the provisions of subparagraph (3), for the purpose of electing a Chairman or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken in such manner and at such time and place as the Chairman may direct and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

29. A vote may be taken by ballot using paper ballots or an electronic voting system.

Where a vote is taken by ballot using paper ballots each Member or holder of a proxy entitled to vote shall be furnished with a ballot paper on which he shall record his vote. Each ballot paper shall be signed or initialed or otherwise marked so as to identify the voter.

Where a vote is taken by ballot using an electronic voting system each Member or holder of a proxy entitled to vote shall be furnished with an electronic voting device with which he shall record his vote. Each electronic voting device shall identify the voter to the electronic voting system and make a written record of the vote result.

At the conclusion of the ballot the Secretary shall report the result of the ballot to the Chairman. The result of the ballot shall be declared by the Chairman.

In case of an equality of votes a new ballot shall be taken.

30. An instrument appointing a proxy shall be in such form as the Board of Directors may instruct, and if the Board of Directors has not issued such an instruction the Secretary is authorized to prepare such instrument for quorum and voting purposes of the meeting.

A. Any Member may appear at a meeting of the Company through a proxy, provided as follows:

1. The proxy holder must be a Director or Officer of the Company, or a Shareholder Representative; and,
2. Notice of the appointment must be given in writing to the Secretary at least five (5) business days prior to the meeting, unless exceptional circumstances require shorter notice, in the Secretary's discretion; and,
3. The Shareholder Representative may not direct the appointee how to vote on any business coming before the Members at the meeting, and must instead allow the appointee to vote in his or her discretion; and,
4. The appointment is revocable at any time prior to meeting commencement by notice in writing given to the Secretary of the Company by the Shareholder Representative who made the appointment; and,
5. Any Director or Shareholder Representative appointed as a proxy may vote on his or her own behalf as well as on behalf of the Member who appointed him or her. If the Shareholder Representative who made the appointment is also present at the meeting, he or she may not vote unless the appointee's proxy has been revoked by written notice to the Secretary before the meeting begins.

B. A Director may not appear at any meeting of the Board or Committee thereof through a proxy unless required to form a quorum and provided notice of the appointment is given to the Secretary in writing prior to the meeting. Any such appointment may not direct the proxy holder how to vote on any issue coming before the Board or Committee at the meeting.

C. Notwithstanding the foregoing, directed proxies may be used when the Executive Committee, in consultation with the Secretary, has resolved that circumstances exist requiring their use.

31. Any corporation which is a Member of the Company shall appoint a Shareholder Representative to act for it at any Meeting of the Members of the Company. Such authorization shall be evidenced in any manner satisfactory to the Chairman of such Meeting subject to any procedures with respect thereto established by the Board of Directors or the Members. Any appearance or vote by a Shareholder Representative on behalf of a Member, at any such Meeting of Members shall, if accepted by the Chairman of the Meeting without challenge by any Member at the time, be deemed the appearance or vote, as the case may be, of such Member.

SHARE CAPITAL AND SHARES

32. Every Member shall be entitled to a certificate under the seal of the Company signed by the President or any Director and also by the Secretary, specifying the share held by him and whether the same is fully paid up and, if not, how much has been paid thereon. If any such certificate shall be proved to the satisfaction of the Board of Directors to have been worn out, lost, mislaid or destroyed the Board of Directors may cause a new certificate to be issued.

33. The capital of the Company shall be composed of "A" shares (which shall have the rights as set out in these Bye-Laws and the Agreement) and such other classes of shares as may be issued from time to time pursuant to Bye-Laws 34 and 35 hereof. Holders of shares, other than "A" shares, issued pursuant to Bye-Laws 34 and 35 hereof shall not be subject to, or required to become party to, the Agreement.

34. Subject to these Bye-Laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board of Directors shall have the power to issue any unissued shares of the Company on such terms and conditions as they may determine and any shares or class of shares (including the issue or grant of options, warrants and other rights, renounceable or otherwise in respect of shares) may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Board of Directors may by resolution prescribe; provided that no share shall be issued at a discount except in accordance with the Act. Subject to the provisions of the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company) are liable to be redeemed on such terms and in such manner as may be determined by the Board of Directors (before the issue or conversion).

35. The Board of Directors are authorized, without obtaining any vote or consent of the holders of any class or series of shares of the Company unless expressly provided by the terms of issue of such class or series, but otherwise subject to any limitations prescribed by the Act, to provide from time to time for the issuance of other classes or series of shares, and to establish the characteristics of each class or series including, without limitation, the following:

- (1) the number of shares of that class or series, which may subsequently be increased or decreased (but not below the number of shares of that class or series then outstanding) by resolution of the Directors, and the distinctive designation thereof;
- (2) the voting powers, full or limited (including the right to appoint directors of the Company), if any, of the shares of that class or series;
- (3) the rights in respect of dividends on the shares of that class or series, whether dividends shall be cumulative and, if so, from which date or dates and the relative rights or priority, if any, of payment of dividends on shares of that class or series and any limitations, restrictions or conditions on the payment of dividends;
- (4) the relative amounts, and the relative rights or priority, if any, of payment in respect of shares of that class or series, which the holders of the shares of that class or series shall be entitled to receive upon any liquidation, dissolution or winding-up of the Company;
- (5) the terms and conditions (including the price or prices, which may vary under different conditions and at different redemption dates), if any, upon which all or any part of the shares of that class or series may be redeemed, and any limitations, restrictions or conditions on such redemption;
- (6) the terms, if any, of any purchase, retirement or sinking fund to be provided for the shares of that class or series;
- (7) the terms, if any, upon which the shares of that class or series shall be convertible into or exchangeable for shares of any other class, classes or series, or other securities, whether or not issued by the Company,
- (8) the restrictions, limitations and conditions, if any, upon issuance of indebtedness of the Company so long as any shares of that class or series are outstanding; and
- (9) any other preferences and relative, participating, optional or other rights and limitations not inconsistent with applicable law or the provisions of these Bye-Laws.

36. The Company may purchase its own shares in accordance with the provisions of the Act on such terms as are not inconsistent with the Agreement.

CALLS ON SHARES

37. The Board of Directors may from time to time make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares allotted to or held by them and, if a call is not paid on or before the day appointed for payment thereof, in addition to any other remedies that the Company may have, the Member may at the discretion of the Board of Directors be liable to pay the Company interest on the amount of such call at the rate of the offered quotation for U.S. dollar deposits to lending banks in the London interbank market, plus one percent (1%) from the date when such call was payable up to the actual date of payment. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

REGISTER OF MEMBERS

38. The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:

- (1) the name and address of each Member, the number of shares held by him and the amount paid or agreed to be considered as paid on such shares;
- (2) the date on which each person was entered in the Register of Members; and
- (3) the date on which any person ceased to be a Member.

39. The Register of Members shall be open to inspection at the office of the Company between 10 a.m. and 12 noon on every business day.

TRANSFER OF SHARES

40. The transfer of "A" shares shall be governed by the provisions of the Agreement.

TRANSMISSION OF SHARES

41. The executors or administrators of a deceased Member shall, except as provided hereafter, be the only persons recognized by the Company as having any title to his shares; but this shall not apply in the case of one or more joint holders of a share or shares, except in the case of the last survivor of such joint holders. On production of evidence of the death of a joint holder of a share or shares, the remaining holder or holders shall automatically become entitled to the issue of a new certificate in the name of the remaining holder or holders.

42. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Directors may deem sufficient or may, instead of being registered himself, elect to have some person named by him registered as a transferee of such share, and in such case the person becoming entitled shall execute to his nominee an instrument of transfer in a form satisfactory to the Board of Directors and on the presentation thereof to the Board of Directors, accompanied by such evidence as they may require to prove the title of the transferor, the transferee shall be registered as a Member.

FORFEITURE OF SHARES

43. If any Member fails to pay on the day appointed for payment thereof any call in respect of any share allotted to or held by him the Board of Directors may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward to such Member a notice and, if the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of

such call and the interest due in respect thereof be forfeited by a resolution of the Board of Directors to that effect, and such share shall thereupon become the property of the Company and be redeemed, repurchased or disposed of as the Board of Directors shall determine.

44. A Member whose share or shares have been forfeited as aforesaid shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture and all interest due thereon.

ACCOUNTS AND FINANCIAL STATEMENTS

45. The Company shall cause to be kept proper records of account with respect to all transactions of the Company in such manner as to show the assets and liabilities of the Company for the time being and such records of account shall be kept at the registered office of the Company or at such other place as the Board of Directors think fit and shall be open to the inspection of the Directors during normal business hours.

46. The financial year end of the Company may be determined by resolution of the Board of Directors and failing such resolution shall be December 31 in each year.

47. Financial Statements as required by the Act shall be laid before the Members in General Meeting and shall be open for inspection by any Member.

AUDIT

48. At the Annual General Meeting or at a subsequent Special General Meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company and such Auditor shall hold office until the Members appoint another Auditor. Such Auditor may not be a Member and no Director or Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

49. The accounts of the Company shall be audited at least once in every year.

50. The remuneration of the Auditor shall be fixed by the Members in General Meeting from time to time or the Members may delegate this duty to the Board of Directors, who may, in turn, subdelegate this to the Audit Committee.

51. If the office of Auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability or otherwise at a time when his services are required, the Board of Directors shall fill the vacancy in the office of Auditor on an interim basis until such time as an Annual General Meeting or Special General Meeting is held.

52. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

53. The financial statements provided for by these Bye-Laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the members in General Meeting. Notice of such General Meeting shall be given to the Auditor in the manner prescribed for Members and he shall be entitled to attend such Meeting and to make any statements or explanations as the Members may desire with respect to such financial statements.

NOTICES

54. A Notice may be given by the Company to any Member either by delivering it to such Member in person or by sending it to such Member's address in the Register of Members or to such other address given for the purpose. For the purpose of this Bye-Law, a Notice may be sent by mail, courier service, facsimile, electronic mail or other mode of representing words in a legible and non-transitory form.

55. Any Notice required to be given to the Members shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and Notice so given shall be sufficient Notice to all the holders of such shares.

56. Any Notice shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the Notice was properly addressed and prepaid, if posted, and the time when it was posted, or delivered to the courier or transmitted by facsimile, electronic mail or such other method as the case may be.

SEAL OF THE COMPANY

57. The Seal of the Company shall not be affixed to any instrument except over the signature of a Director and the Secretary or any two Directors or the signature of some person appointed by the Directors for the purpose; provided that the Secretary may affix the Seal of the Company over his signature only to any authenticated copies of these Bye-Laws, the incorporating documents of the Company, the minutes of any meetings or any other documents required to be authenticated by him and to any instrument which a Meeting of the Directors has specifically approved beforehand.

INDEMNITY

58. (1) The Directors, Secretary and other Officers for the time being of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all (a) actions, costs, charges, losses, damages and expenses which they or any of them, or their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason 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 (b) liability incurred by them in defending any proceedings, 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 Section 281 of the Act; 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 fraud or dishonesty which may attach to any of the said persons.

(2) Expenses incurred 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 upon receipt of an undertaking by or on behalf of the relevant Director or Officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized by this Bye-Law.

(3) 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 or Officer on account of any action taken by such Director or Officer, or the failure of such Director or 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 fraud or dishonesty which may attach to such Director or Officer.

(4) For the purpose of this Bye-Law 58 only, "Director(s)" and "Officer(s)" shall be deemed to include directors, officers and employees of the Company and of any other entity in which the Company, directly or indirectly through one or more direct or indirect wholly owned subsidiaries, owns fifty percent (50%) or more of the shares or voting power, and all positions and offices with, trusts for, duties to or moneys or effects of any such entity shall be deemed to be positions and offices with, trusts for, duties to and moneys or effects of the Company.

ALTERATION OF BYE-LAWS

59. No Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made until the same has been approved by a resolution of the Board of Directors and confirmed by a resolution of the Members by the vote required by these Bye-Laws.

60. A copy of the Shareholders' Agreement, as amended from time to time, shall be maintained at the registered office of the Company.

ALTERATION IN SHARE CAPITAL

61. (1) The Company may, if authorized by resolution of the Members, increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.

(2) Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board of Directors may deal with or resolve the same in such manner as it deems appropriate.

Everen Limited Eligibility Requirements

1. In this Exhibit, the following definitions shall apply:

(a) **“Energy Company”** means any Company (or an unincorporated division thereof, including subsidiaries operated by such division, whose Unmodified Gross Assets are identified and specifically stated in the financial report required to be submitted annually to Everen Limited) more than fifty percent (50%) of the gross annual revenues (including excise taxes) of which are derived from Energy Operations, or more than fifty percent (50%) of the Unmodified Gross Assets of which are devoted to Energy Operations.

(b) **“Energy Operations”** means

(i) the exploration, discovery, mining, extraction, production, transportation, generation, transmission, distribution, refining, development, manufacture, storage, marketing, and/or sale of

- (1) biochemicals,
- (2) biofuels,
- (3) chemicals,
- (4) coal,
- (5) energy,
- (6) hydrocarbon products,
- (7) hydrocarbons,
- (8) hydrogen, and/or
- (9) mineral deposits or ores, and/or

(ii) the capture, transportation, storage, and/or sequestration of carbon dioxide.

Everen Limited will apply such tests as it deems prudent in determining, within the parameters of this definition, what constitutes Energy Operations.

(c) **“Unmodified Gross Assets”** means the gross value for the Energy Company determined pursuant to Section IV of the Rating & Premium Plan.

(d) **“Subsidiary”** means any Company in which the stock, voting power or other interest entitled to vote for or control election of more than fifty percent (50%) of the Directors or appointment or selection of other management is owned or controlled, directly or indirectly, by an Energy Company.

(e) **“Non-Subsidiary Related Company”** means any Company that is a Parent of the Energy Company or is under common control with the same Parent as the Energy Company. A "Parent" is any Company which owns or controls, directly or indirectly, the stock, voting power or other interest entitled to vote for or control election of more than fifty percent (50%) of the Directors or appointment or selection of other management of any other Company.

(f) **“Company”** means any legal entity.

2. Any financially responsible Energy Company in the world or a Subsidiary or Non-Subsidiary Related Company of such an Energy Company may become a Shareholder of Everen Limited if its application is accepted by Everen Limited and it agrees to be bound by the terms and conditions of this Shareholders' Agreement. An Energy Company shall be considered to be financially responsible if, in the opinion of the Chief Executive Officer of the Company or his designee pursuant to the Everen Limited Financial Security Requirements, it has a reasonable probability of being capable of performing the obligations which would be imposed upon it, directly or indirectly, and to pay when due, all premiums on policies to be issued to it or its Subsidiary or Non-Subsidiary Related Company. In the event that an application to become a Shareholder is filed by a Subsidiary or Non-Subsidiary Related Company of an Energy Company, such application shall cover the same affiliated group that would have been covered by such application had it been filed by the Energy Company and acceptance of such application may be subject to such additional terms and conditions as may be imposed by the Board of Directors or by the Shareholders.

3. Except where an application to become a Shareholder is made by a Subsidiary or Non-Subsidiary Related Company, an application by an Energy Company that includes an affiliated group of corporations, partnerships, associations, joint stock companies, trusts and other legal entities shall state the specific entity to be designated in the applicable Policy Declaration. Except as provided in paragraph 4, the application must be filed by the controlling member of any affiliated group, or one or more than one Subsidiary or Non-Subsidiary Related Company of the controlling member, on behalf of all members of the group, and all members of the group, on a consolidated basis, will be regarded as a single Energy Company.

4. An application may be filed on behalf of less than all members of an affiliated group if:

(a) either (i) a member of the affiliated group has at least twenty five percent (25%) of its voting stock publicly owned and traded on any recognized stock exchange or (ii) Three-Quarters' Directors Vote approve (1) the filing of an application by the member, or a Subsidiary or Non-Subsidiary Related Company of the member, subject to compliance with paragraph 2 above, provided the member otherwise qualifies as an Energy Company and no other member of the group has also filed an application or (2) the filing of an application on behalf of two or more members, provided that those members, on a consolidated basis, qualify as an Energy Company and no other application is filed on behalf of any members of the group, by the controlling member or a Subsidiary or Non-Subsidiary Related Company subject to compliance with paragraph 2 above.

(b) the entire affiliated group fails to qualify as an Energy Company solely because its gross annual revenues from energy operations or Unmodified Gross Assets devoted to energy operations do not exceed fifty percent (50%), but more than fifty percent (50%) of the gross annual revenues or more than fifty percent (50%) of the Unmodified Gross Assets of all companies within the affiliated group that are engaged in energy operations are derived from or devoted to Energy Operations, then those energy operating companies shall be deemed a single Energy Company for purposes of these eligibility requirements, and the application shall be filed on behalf of those members by the controlling member of the affiliated group or, subject to compliance with paragraph 2 above, by a Subsidiary or Non-Subsidiary Related Company of the controlling member.

(c) the entire affiliated group qualifies as an Energy Company, but there are one or more members of the affiliated group that derive none of their gross annual revenues from energy operations, and none of the Unmodified Gross Assets are devoted to Energy Operations, then, upon Three-Quarters' Directors Vote after excluding any member or members that do not derive revenues from energy operations and which do not have Unmodified Gross Assets devoted to

energy operations, shall be deemed a single Energy Company for purposes of these Eligibility Requirements, and the application shall be filed on behalf of the Energy Company by the controlling member of the affiliated group, or, subject to compliance with paragraph 2 above, by a Subsidiary or Non-Subsidiary Related Company of the controlling member.

5. Upon approval of the Chief Executive Officer of the Company or his designee pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, the voting control requirements specified in these Eligibility Requirements may be reduced for an applicant to some percentage less than fifty percent (50%) but more than ten percent (10%) and appropriate changes may be made in the policies and premiums so that specially recognized affiliations based on voting control of fifty percent (50%) or less will be treated as if more than fifty percent (50%). Any such action shall only apply to the particular applicant and may be rescinded at any time by the Chief Executive Officer of the Company or his designee, upon such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine. In the event of any such rescission the policies issued shall not be renewed.

6. Upon approval by the Chief Executive Officer of the Company or his designee pursuant to such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, the Parent, or a direct or indirect wholly owned subsidiary thereof, of a Named Insured may be permitted to be a Shareholder in lieu of the Named Insured upon such terms and conditions, as the Chief Executive Officer of the Company or his designee, upon such reasonable conditions, criteria and procedures as the Board of Directors shall from time to time determine, may specify. Where such permission is granted, unless the Chief Executive Officer of the Company or his designee otherwise specifies; the policies issued to the Named Insured shall be treated as if they had been issued to the Shareholder for purposes of termination, cancellation and non-renewal.

7. In the case of any Energy Company which becomes a Named Insured after June 28, 1989, the Unmodified Gross Assets of such Energy Company (determined without reference to any deeming of assets pursuant to paragraph IV.H of the Rating & Premium Plan) shall in no event be less than an amount ("Minimum Unmodified Gross Assets") established by the Board of Directors before the end of a calendar year as respects following calendar year(s) by Three-Quarters' Directors Vote³.

³ On December 9, 2004 the Board of Directors established that the Minimum Unmodified Gross Assets shall be one billion dollars (\$1,000,000,000).

Policy Declaration

Policy No: _____

Everen Limited
 Post Office Box HM 1751
 Hamilton, Bermuda HMGX

Policy Period: January 1, 20__ (00:00:00 EST (Midnight)) to December 31, 20__ (23:59:59 EST)
 (Eastern Standard Time)

Named Insured and Address		Energy Company and Address*
Assured(s) Hereunder Pursuant to Split Policy, if any.		Joint Policyholder pursuant to Endorsement 3
See attached for specific coverage details.		

* To be completed only if Named Insured is not an Energy Company.

TOTAL POLICY LIMITS THROUGH DECEMBER 31, 20 .	
Limits Each Occurrence	Deductible

Elections:

Flat Premium Option _____ Retrospective Premium Election _____
 Quota Share Retention _____% Retrospective Percentage _____%

Endorsements:

1 R&PP _____ 4 OPOL _____
 2 Coverage Options _____ 5 Excess Insurance _____
 3 Joint Policyholder _____ Other _____

In Witness Whereof, Everen Limited has caused the policy referred to above to be executed at Hamilton, Bermuda, on the date specified therein.

EVEREN LIMITED

By _____
 Authorized Representative

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Everen Limited Insurance Policy

ASSURED

In consideration of the premium stated herein EVEREN LIMITED (hereinafter called “**Underwriter**”) does insure:

1. The Policyholder.
2. The interest of the Policyholder in any Subsidiary or Affiliate that is either non-Consolidated or partially Consolidated (not otherwise insured as an entire entity under any policies issued to any person or entity by the Underwriter) in which the interest of the Policyholder in the Unmodified Gross Assets of such Subsidiary or Affiliate is one percent (1%) or less of the Unmodified Gross Assets of the Policyholder.
3. (a) The interest of the Policyholder in any Subsidiary or Affiliate that is either non-Consolidated or partially Consolidated in which the interest of the Policyholder exceeds one percent (1%) of the Unmodified Gross Assets of the Policyholder; or
(b) A greater interest than that of the Policyholder in any Subsidiary or Affiliate that is either non-Consolidated or partially Consolidated.

Provided, for each interest, as conditions precedent to coverage, each of the following conditions has been met;

- (i) the Policyholder has requested that coverage be extended to the interest;
and
- (ii) approval has been granted in writing by the Underwriter; and
- (iii) the value of the interest to be insured has been certified by the appropriate independent chartered accountants or certified public accountants; and
- (iv) such certified amount shall be included in the Policyholder’s Unmodified Gross Assets; and
- (v) the interest to be insured is not otherwise insured under any policies issued to any person or entity by the Underwriter.

The inception date of the insurance provided hereunder shall be the date of the Underwriter’s written approval unless otherwise specified.

“**Assured**” means the Policyholder and any non-Consolidated or partially Consolidated Subsidiaries and Affiliates to the extent that they are covered under paragraphs 2 and 3 above, both independently and as participants in joint ventures with others.

INSURING AGREEMENTS

In consideration of the premium stated herein, the Underwriter does hereby agree with the Assured:

1. To indemnify the Assured for all risks of direct physical loss or physical damage, caused by an Occurrence, to:

- (a) tangible property owned by the Assured; or
- (b) non-owned tangible property:
 - (i) which is subject to written contractual arrangements under which the Assured has assumed the liability for direct physical loss or physical damage, including but not limited to leases and security agreements, or
 - (ii) in the care, custody or control of the Assured, or
 - (iii) which is the subject of an obligation by the Assured and is determined by the Underwriter in its sole discretion, in writing, to be deemed as being owned by the Assured.

By a written notice to the Underwriter specifying the property, the Assured may elect to have excluded from the insurance provided for in this insuring agreement any non-owned property. Any such election may be rescinded only with the written consent of the Underwriter.

2. To indemnify the Assured for any sum or sums which the Assured may be obligated to pay or incurs as expenses, on account of:

- (a) Sue and Labor Expense arising from an Occurrence covered hereunder where in the event of an actual or imminent covered physical loss or physical damage to property not otherwise excluded, it shall be lawful and necessary for the Assured, his, its or their factors, servants and assigns to sue, labor and travel for, in and about the defense, safeguard and recovery of the insured property, or any part thereof without prejudice to this insurance, nor shall the act of the Assured or the Underwriter in recovering, saving and/or preserving the insured property in the event of an actual or imminent covered physical loss or physical damage to property not otherwise excluded be considered a waiver or an acceptance of abandonment;
- (b) Bringing Under Control a Well that is Out of Control, where such circumstance arises from an Occurrence, or extinguishing a Well fire where such fire arises from an Occurrence;
- (c) Removal of debris of property covered under insuring agreement 1, and not otherwise excluded, or debris which the Assured is legally obligated to remove, where such debris arises from an Occurrence, including expenses incurred for the purpose of complying with laws, regulations or other Governmental Direction;
- (d) Costs and expenses incurred in respect of restoration of, redrilling of, (including the cost of abandonment of the original Well where a replacement Well is drilled), or making safe a Well to the same formation, which Well or any part thereof has been lost, damaged or otherwise impaired as a result of such Well getting Out of Control or physical damage to property covered under insuring agreement 1 and not otherwise excluded, in each case arising from an Occurrence covered under insuring agreement(s) 1 and/or 2b. Batch drilling, and the associated temporary abandonment of Wells, shall be deemed to be covered under "redrilling" of a Well, whether or not originally drilled by such method.

3. To indemnify the Assured for any sum or sums for which the Assured may be legally liable (including punitive damages), or has agreed in writing to assume for the benefit of others, as a result of personal injury or bodily injury, including death, or physical loss of or loss of use of, or physical damage to property other than property insured or which could be, but for any of the exclusions contained in this policy, insured under insuring agreement 1, arising out of seepage, pollution or contamination caused by an Occurrence. However, a Right of Way within which a Pipeline is located is not deemed to be insured under insuring agreement 1 for purposes of this insuring agreement 3. This insuring agreement applies only if the Assured (or, in the case of an Occurrence arising out of the operations of a joint venture in which the Assured has an interest but is not the operator, the operator of such joint venture) becomes aware of the commencement of the seepage, pollution or contamination within forty (40) days of such commencement and the Named Insured provides the Underwriter with written notice of the commencement of such seepage, pollution or contamination within one hundred twenty (120) days of such commencement.

EXCLUSIONS

This policy does not apply to:

1. (a) With respect to insuring agreements 1, 2a and 2c, all Watercraft, including the hull and any Watercraft Equipment in, on or attached to the Watercraft.

This exclusion shall not apply with respect to:

- (i) Work Vessels in which the Assured has no ownership interest and for which the Assured has assumed contractual obligations to repair or replace under agreements which are incidental to the purpose of contracts or agreements customary or necessary to the conduct of the business of the Assured; or
 - (ii) platforms or parts of platforms, whether stationary or under tow; or
 - (iii) Watercraft during launching process to the time such Watercraft is first Secured Following Launch.
- (b) With respect to insuring agreement 3:
- (i) any liability which arises in any manner from one or more specific Watercraft by virtue of the Assured's involvement in, or agreement to assume, indemnify against or guarantee liability in respect of, the design, construction, maintenance, manning, ownership or operation thereof if such Watercraft is:
 - (A) classified as a tanker vessel designed and constructed for the carriage by sea in bulk of crude petroleum, hydrocarbon fuels, oils derived therefrom, coal or chemicals; or
 - (B) of more than four thousand five hundred (4,500) gross tonnage and is actually engaged in the transportation in bulk of crude petroleum, hydrocarbon fuels, oils derived therefrom, coal or chemicals;
- provided, however, that this clause (i) of this exclusion 1b shall not apply with respect to Watercraft time chartered, spot chartered or voyage chartered by the Assured (but not designed, constructed, maintained, manned, owned or operated by the Assured or as respects which the Assured has agreed to assume,

indemnify against or guarantee liability in respect of the design, construction, maintenance, manning, ownership or operation thereof); or

(ii) any liability which arises in any manner whatsoever from the use, operation, maintenance or repair of an FPSO unless such FPSO:

(A) shall have been secured at its intended site for the production, storage or processing of hydrocarbons at the time of the Occurrence or

(B) after having been secured at its intended site used for the production, storage or processing of hydrocarbons, subsequently, and as the result of an Occurrence or imminent or actual danger or threat thereof or by or at Governmental Direction, but in no event shall this period exceed ninety (90) days unless extended in writing by the Underwriter:

(1) disconnects or is disconnected and is no longer secured or

(2) is in transit, but only for such time and distance as is necessary to avoid the Occurrence or imminent or actual danger or threat thereof or to comply with the Governmental Direction; or

(iii) any liability of the Assured arising under the terms of the International Convention on Civil Liability for Oil Pollution Damage, including any amendments or supplemental agreements thereto or extensions thereof, and any future conventions (as amended, supplemented or extended) of a similar nature or purpose which are applicable to Watercraft.

2. All loss, damage, liability, cost or expense of whatsoever nature, in respect of any properties otherwise insured under this policy directly or indirectly caused by or resulting from war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, usurped power, or use of any weapon employing atomic or nuclear fission, fusion and/or other radioactive force or matter (hereinafter the “Excluded Acts”).

This exclusion applies whether any of the Excluded Acts occur in time of peace or war.

This exclusion does not apply to loss, damage, liability, cost or expense of whatsoever nature, caused by:

(a) an Act of Terrorism, but only if the Act of Terrorism is the sole cause which does not include the Excluded Acts;

(b) an Act of Piracy;

(c) riots, strikes or civil commotion; or

(d) with respect to Offshore properties collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the Watercraft concerned or, in the case of a collision, any other Watercraft involved therein, is performing) by any of the Excluded Acts.

Exceptions (a) through (d) do not apply to loss, damage, liability, cost or expense of whatsoever nature, caused by the use of any weapon employing atomic or nuclear fission, fusion and/or other radioactive force or matter.

3. (a) With respect to insuring agreements 1 and 2, (i) the Hot Zone of any Nuclear Facility or (ii) any loss, damage or expense arising out of or resulting from, in whole or in part, nuclear reaction or nuclear radiation or radioactive contamination, or the Hazardous Properties of Nuclear Material, however caused and all whether controlled or uncontrolled, or due in whole or in part to any act or condition incident to any of the foregoing, and whether such loss, damage or expense be direct or indirect, proximate or remote, or be in part caused by, contributed to or aggravated by other perils insured against in this policy. Clause (a)(i) of this exclusion 3 shall not apply to the Hot Zone of a Nuclear Facility subsequent to Deactivation and prior to Activation.
- (b) With respect to insuring agreement 3, personal injury or bodily injury, including death, or loss of or loss of use of or damage to property arising out of or resulting from, in whole or in part, nuclear reaction or nuclear radiation or radioactive contamination or the Hazardous Properties of Nuclear Material, however caused and whether such injury or loss or damage be direct or indirect, proximate or remote, or be in part caused by, contributed to or aggravated by other perils insured against in this policy.
- (c) This exclusion 3 shall not apply as respects personal injury or bodily injury, including death, or loss of or loss of use of or damage to property resulting from, in whole or in part, radioactive contamination, including fire damage resulting therefrom, caused by use or misuse, other than disposal, of instruments and equipment used for commercial or industrial measurements, inspection, quality control, fire detection or fire protection at premises other than a Nuclear Plant.
- (d) This exclusion shall apply to each Nuclear Facility at a Nuclear Plant separately.
4. Crude oil, natural gas, or other minerals in situ, prior to initial recovery above ground.
5. With respect to insuring agreements 1 and 2, land, land values, naturally occurring or naturally accumulated water, and crops, including timber, prior to harvesting; except this exclusion does not apply to any alteration to the natural condition of the land by grading, landscaping and additions to land including landscape gardening, pavements, roadways, geotechnical and erosion control works or similar works and including the cost of reclaiming, restoring or repairing land improvements, nor does this exclusion apply to processed water.
6. With respect to insuring agreements 1 and 2, any loss of hire of Watercraft, aircraft, rail transportation or other vehicles.
7. With respect to insuring agreement 1, any loss, damage, cost or expense caused by or resulting from inherent defect, or caused by any of the following in a gradual manner over a period of time: wear and tear, deterioration, fatigue, rusting, or expansion or contraction due to changes of temperature unless resulting in the collapse of the property or a material part thereof. This exclusion shall not apply to resultant physical loss or physical damage to, or cost or expense incurred for, the remaining property or to other property insured hereunder.
8. Cost of repairing or replacing that portion of property which is defective, including, but not limited to, defects in design, workmanship, or material.
9. With respect to insuring agreements 1 and 2, loss or damage, cost or expense to property caused by or resulting from the neglect of the Assured to use reasonable means to save and preserve the property at the time of and after any disaster or peril insured against.
10. Any Use and Occupancy or Business Interruption Loss or Extra Expense in connection therewith sustained by the Assured or, with respect to insuring agreement 1, other consequential loss extending beyond direct physical loss or physical damage to the property insured hereunder.

- 11.** Any loss, damage, liability, cost or expense arising directly or indirectly, caused by or resulting from confiscation or expropriation by or under the order of any government or public or local authority.
- 12.** Any loss, damage, liability, cost or expense in respect of Offshore properties (including Watercraft and cargoes) of the Assured directly or indirectly caused by or resulting from capture, seizure, arrest, restraint or detainment, or the consequences thereof or of any attempt threat, or any taking of the property, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise, by or under the order of any government or public or local authority.
- 13.** Personal injury or bodily injury, including death, or loss of or loss of use of or damage to property caused by the intentional or willful introduction of waste products, other than in accordance with industry practice, into any soil or inland or tidal waters or atmosphere, unless such injury, loss or damage is caused by accident.
- 14.** With respect to insuring agreement 2b, personal injury, or bodily injury, including death, or loss of or loss of use of or damage to property of others and loss of hole, and including all expense of drilling or excavating and redevelopment or redrilling, re-excavation, redevelopment and restoration.
- 15.** Liability for governmental fines and penalties imposed under any laws of any country or any political subdivision thereof and payable to such country or political subdivision, excluding, however, civil fines or penalties imposed to pay or reimburse for loss, damage or expense resulting from an Occurrence to the extent that the amount of the civil fine or penalty is measured by and limited to the actual loss, damage and/or expense incurred.
- 16.** With respect to insuring agreements 1 and 2, for losses resulting from perils covered under other insurance policies, either primary or excess, carried by the Assured; provided, however, that this exclusion shall not apply to the extent such losses, for any reason, are not covered and collectible under such other insurance policies, either primary or excess, without regard to provisions therein relating to proration of liability.
- 17.** With respect to insuring agreement 1, any loss, damage, liability, cost or expense sustained by the Assured in respect of non-owned property which property is of the type which if it were owned by the Assured would be excluded from this policy by any of the exclusions herein.
- 18.** Loss of, physical damage to or loss of use of property through the surrender of property away from premises of the Assured as a result of a threat:
 - (a) to do bodily harm to a director, officer, employee or partner of the Assured or to any other person, except loss of property in transit in the custody of any person acting as a messenger provided that when such transit was initiated there was no knowledge by the Assured of any such threat, or
 - (b) to do physical damage, or cause physical loss or physical damage, to property of any kind or description wherever located.
- 19.** With respect to insuring agreement 1, loss of hole, including all expense of drilling or excavating and development or redrilling, re-excavation, redevelopment and restoration, but not excluding risk of direct physical loss or physical damage to property covered under insuring agreement 1.
- 20.** Obligations resulting from the writing of insurance or reinsurance (or participation in the writing of insurance or reinsurance) unless for the benefit of the Assured or the Assured's business and the conduct thereof (other than solely for the benefit of Assured's insurance or reinsurance business).

- 21.** With respect to insuring agreements 2 and 3, obligations of the Assured to insure or assume loss, damage, expense or liability of others except to the extent imposed by law or governmental regulation and except contractual obligations that are incidental to the purpose of contracts or agreements customary or necessary in the conduct of the business (other than any insurance or reinsurance business) of, or the disposition of a business entity (other than an insurance or reinsurance entity) by, the Assured.
- 22.** With respect to insuring agreement 1, any loss or damage sustained by the Assured resulting directly or indirectly from one or more dishonest or fraudulent acts of an Assured, a partner therein, or an officer, employee, director, agent or representative thereof, while working or otherwise and whether acting alone or in collusion with others. This exclusion shall not apply to physical loss or physical damage to tangible property resulting directly from acts of sabotage, vandalism or other willful and malicious destruction of tangible property by an employee, agent or representative of the Assured (or a partner therein), carried out without the authorization or knowledge of the Assured (or a partner therein), and provided that the proof of the factual existence of such loss or damage is made through evidence wholly apart from an inventory computation or a profit and loss computation.
- 23.** Any loss, damage, liability, cost or expense for which the Assured would not be legally or contractually liable or would be indemnified therefor except for the existence of this policy.
- 24.** Any peril, loss, damage, liability, cost or expense which the Named Insured expressly requests be excluded from coverage under this policy. (The Underwriter is authorized to issue endorsements, as requested by a Named Insured, to effect or evidence any exclusion pursuant to this exclusion.)
- 25.** With respect to insuring agreement 2c, removal of debris arising out of seepage, pollution or contamination, or any liability or obligation arising out of seepage, pollution or contamination, including, without limitation, the discharge, dispersal, release or escape of pollutants into or upon land or other real estate, atmosphere, any watercourse or body of water whether above or below ground or otherwise into the environment, including without limitation, any liability or alleged liability, loss, cost or expense arising out of any direction or request, whether Governmental Direction or other, to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.
- 26.** With respect to insuring agreement 3:
- (a) Any obligation for which the Assured or any carrier as his insurer may be held liable under any workmen's or workers' compensation, unemployment compensation or disability benefits law or any similar law, or
 - (b) Personal injury or bodily injury to, including death of, any person to or with respect to whom or the death of whom benefits or damages are payable to the extent of any valid and collectible voluntary compensation or employer's liability insurance available to the Assured.
- 27.** With respect to insuring agreement 2c, expenses on account of removal of debris from mines or other excavations excepting only expenses related to that portion of removed debris which represents debris of property covered under insuring agreement 1 and not otherwise excluded. In such case, the measure of recovery shall be based upon the proportion the volume of debris of property covered under insuring agreement 1 and not otherwise excluded bears to the total volume of recovered debris.
- 28.** With respect to insuring agreement 3, any liability arising out of or resulting from waste disposal operations of the Assured, provided that this exclusion shall not apply to liability of the Assured:
- (a) arising out of any waste disposal operations which are operated solely for the purpose of disposing of the Assured's own waste; or

(b) where the Assured is obligated by joint operating agreement or regulatory authority to dispose both of its own waste and that of all non-Assured(s) utilizing such waste disposal operations; or

(c) where the Assured receives no compensation (except cost reimbursement) for the use of such operations by non-Assured(s); or

(d) arising out of any commercial waste disposal site utilized by or on behalf of the Assured but not owned, leased or operated by the Assured; or

(e) arising solely out of Onshore salt water disposal operations on behalf of drilling and production activities by the petroleum industry.

29. With respect to insuring agreement 3, Product and Completed Operations Liability.

30. With respect to insuring agreement 2d:

(a) costs or expenses of completion with respect to any section of a Well that can be completed through a drill stem left therein;

(b) costs or expenses incurred to drill beyond the point reached (either vertical or horizontal) when the Well was lost, damaged or otherwise impaired;

(c) loss, damage or impairment of hole. This exclusion does not apply if other parts of the Well have been damaged;

(d) loss, damage, costs or expenses caused by or arising out of delay and/or loss of production and/or loss of reservoir or reservoir pressure of the Well;

(e) restoration and/or redrilling costs or expenses resulting solely from loss of or damage to equipment or material in the Well or the Well itself other than attributable to or in connection with the Well getting Out of Control, fire, blowout, earthquake, cratering or volcanic eruption;

(f) costs or expenses of redrilling where the Well can be recovered or restored by less costly or expensive means.

31. With respect to insuring agreement 2a, any Environmental Control Costs (whether voluntarily assumed or incurred or resulting from Governmental Direction or other request or direction) provided, however, that this exclusion shall not apply to Environmental Control Costs to the extent that such Environmental Control Costs are reasonable and incurred in the reasonable expectation and belief that such Environmental Control Costs both (a) are necessary to mitigate actual physical loss or physical damage, resulting from an Occurrence, to property covered under insuring agreement 1 and (b) will be in an amount less than the additional physical loss or physical damage to covered property which would result in the absence of the incurrence of such Environmental Control Costs.

32. With respect to insuring agreement 3, any contractual liability in respect of personal injury or bodily injury, including death, or loss of or loss of use of or damage to property which the Assured was not bound to assume by an agreement in writing in force at the time of the commencement of the Occurrence giving rise to such injury, loss or damage; provided, however, that this exclusion shall not apply to contractual liability in respect of injury, loss or damage if all three of the following conditions are met:

(a) such contractual liability was assumed by the Assured in connection with the disposition by the Assured of a business entity or assets; and

(b) the Assured was legally liable for such injury, loss or damage immediately prior to the disposition; and

(c) such injury, loss or damage arose from an Occurrence commencing at a time when such disposed entity was an Assured or such asset was owned by an Assured.

33. Any Electrical Transmission and Distribution System.

34. Any loss or damage whatsoever (including personal injury, bodily injury, death, loss of or damage to, or loss of use of property, whether or not damaged, or expense) to the extent that payment in respect thereof would violate economic or trade sanctions pursuant to the laws, rules, regulations, orders, decisions, directives or common positions of the European Union, the United States of America or any other governmental body or authority having jurisdiction over the Underwriter. Nor shall this policy be deemed to provide any cover or benefit to any person or entity to the extent that the provision of such cover or benefit would expose the Underwriter to any liability for violating economic or trade sanctions pursuant to the laws, rules, regulations, orders, decisions, directives or common positions of the European Union, the United States of America or any governmental body or authority having jurisdiction over the Underwriter.

35. Any loss, damage, liability, cost or expense of whatsoever nature, in respect of any properties located Offshore in the Gulf Of Mexico otherwise insured under this policy directly or indirectly caused by or resulting from a Designated Named Windstorm Occurrence.

CONDITIONS

A. Valuation and Basis of Recovery:

The quantum of a loss hereunder shall be determined as follows:

1. As respects tangible property insured under insuring agreement 1, other than inventories, materials and supplies:

(a) if the property is repaired or replaced in kind and at the original site, the basis of valuation will be the Replacement Cost,

(b) if the property is repaired other than in kind or is replaced at another site the basis of valuation will be the lesser of the Replacement Cost or the estimated Replacement Cost in kind at the original site at the time of the Occurrence,

(c) if one or more of the following applies:

(i) the Assured notifies the Underwriter in writing that the property will not be repaired or replaced;

(ii) the work of repair or replacement does not commence within twenty four (24) months of the Date of Discovery;

(iii) the work of repair or replacement is not completed within a reasonable time;

then, unless mutually agreed in writing between the Underwriter and the Assured, the basis of valuation will be Depreciated Cost.

Loss as determined under this condition shall not include any increased cost of expediting repair or replacement or Betterment.

2. As respects inventories (including crude petroleum or finished petroleum products), materials or supplies (including materials in process) insured under insuring agreement 1, including such items while in transit shall be valued at Replacement Cost of like kind and quality, at the place and at the time of loss (including all cost and duty if applicable).
3. As respects all records and documents, including but not limited to accounts and other data and manuscripts, mechanical drawings insured under insuring agreement 1, at value blank plus cost of transcribing.
4. As respects insuring agreement 1, shall exclude historical, rare, fine arts, artistic, aesthetic and similar non-utility values.
5. As respects insuring agreements 1 and 2 shall include costs and expenses incurred in safeguarding, preserving and forwarding the property, as well as costs and expenses in respect of general average, sue and labor, salvage, and expenses incurred in the removal of debris or wreck even if incurred solely as the result of Governmental Direction or other authoritative order.
6. As respects insuring agreement 2 (b), expenses incurred to bring a Well that is Out of Control Under Control and notwithstanding the definition of Under Control, costs and expenses incurred as required by applicable law or governmental regulation or Governmental Direction to control the Well(s). These expenses include, but are not limited to, the value of materials and supplies consumed in the operation, rental of equipment, fees of individuals, firms, or corporations specializing in firefighting and/or the control of such Well(s), cost of drilling direction relief Well(s) necessary to bring the Well(s) Under Control or to extinguish the fire (including the cost of abandonment of any such relief Well(s), provided such Wells are not used for production) and, in any instance where a replacement Well(s) is drilled, the costs of abandonment of the original Well(s). This shall further include any expenses incurred in respect of fighting a fire endangering or involving property insured hereunder.
7. As respects insuring agreement 3, shall (but only to the extent approved in the specific case by the Named Insured) include sum or sums for which any director, officer or employee of any Assured may be legally liable for actions within the scope of his authority for such entity.
8. As respects insuring agreement 3, shall include:
 - (a) reasonable and necessary legal expenses and costs incurred in defending and/or investigating covered claims arising from an Occurrence covered under such insuring agreement 3 (including premiums on bonds to release attachments and premiums on appeal bonds), and
 - (b) reasonable and necessary expenses incurred, liability to any governmental authority or agency or instrumentality thereof or regulatory authority for clean-up and removal costs and expenses, or liability for costs and expenses of governmental or governmental agency or regulatory authority action, in each case to the extent reasonable and necessary to minimize or remediate, or prevent further injuries to persons or loss or damage to property (other than property insured or which could be, but for any of the exclusions contained in this policy, insured under insuring agreement 1) from an Occurrence that has taken place and is covered under insuring agreement 3, and

(c) any other liability to any governmental authority or agency or instrumentality thereof or regulatory authority resulting from an Occurrence that has taken place and is covered under such insuring agreement 3,

but shall not include costs or expenses, or liability in respect thereof, as respects work, equipment or other measures taken to prevent or minimize personal injury or bodily injury, including death, or loss of, loss of use of or damage to property of any kind or description from ongoing operations (as contrasted with past operations, whether or not at the site or facility) of the Assured.

B. Permissions:

Permission is hereby granted the Assured or any other party acting in behalf of the Assured, to effect contracts or agreements customary or necessary to the conduct of the business of the Assured under which the Assured may assume liability for loss, damage, liability, cost or expense or grant releases therefrom and the rights and obligations of the Underwriter shall be governed by the terms of such contracts or agreements. This permission shall not be deemed to extend the coverage or limits of this insurance beyond the terms and conditions of this policy.

C. Representation:

The Named Insured or such other person or attorney as it shall designate shall represent the Assured in all matters under this policy, including the adjustment, settlement, and payment of claims.

D. Assistance and Cooperation:

The Underwriter shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Assured but the Underwriter shall have the right and shall be given the opportunity to associate with the Assured, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Underwriter, in which event the Assured and the Underwriter shall cooperate in all things in the defense of such claim, suit or proceeding.

The Assured shall furnish promptly all information reasonably requested by the Underwriter with respect to any claim made under this policy or pertaining to coverage under this policy. The Underwriter shall be permitted at all reasonable times during the policy period to inspect premises, plants, machinery, equipment, and operations of the Assured covered by this policy. In the event a claim is made under this policy, the Underwriter shall also be permitted at all reasonable times to examine the Assured's books and records which may relate to the subject of the claim. The Assured may require any of the employees, agents or independent contractors to carry out any such inspection or examination or to retain any information furnished by the Assured relative to the claim in a manner which will maintain confidential any information obtained and to agree in writing that they shall treat as confidential and not use, except for purposes of this policy, or disclose, any information obtained as a result of any such inspection or examination without the written permission of the Assured.

E. Notice of Loss:

As soon as practicable, except as provided for in insuring agreement 3, written or electronic mail notice of loss which is likely to involve this policy shall be given by the Assured to the Underwriter. All notices of loss to the Underwriter under any provisions of this policy shall be delivered by either (1) the postal service, (2) prepaid courier, or (3) electronic mail. Notices shall be properly addressed to the Underwriter at the applicable address as shown below. No message sent to any other address, including those for specific individuals or general information, shall constitute a valid notice of loss. Notice so given shall be deemed to be received by the Underwriter upon actual receipt. Notice received after 5 P.M.

Bermuda Atlantic Time shall be deemed to be received the following business day. As soon as practicable after receipt, the Underwriter shall acknowledge all notices of loss when delivered to one of the addresses below. Notices of loss to the Underwriter are valid only if verified by a return acknowledgment by the Underwriter.

Delivery Method	Address
Postal service	Claims Department Everen Limited P.O. Box HM 1751 Hamilton HM GX Bermuda
Prepaid courier	Claims Department Everen Limited 3 Bermudiana Road Hamilton HM 08 Bermuda
Electronic mail	claims@everen.bm

F. Underwriter's Liability:

1. The Underwriter shall be liable only if and when the Ultimate Net Loss sustained by the Assured and covered hereunder in respect of interests described herein in any one Occurrence exceeds the amount specified as the deductible in the Policy Declaration in effect at the time of the commencement of the Occurrence. The Underwriter shall thereupon be liable for the amount by which the said Ultimate Net Loss exceeds the amount specified as the deductible in the Policy Declaration in effect at the time of the commencement of the Occurrence.
2. Irrespective of the number and timing of losses, the Underwriter shall be liable in respect of any one Occurrence only up to a limit of the amount specified as the Occurrence limit in the Policy Declaration in effect at the time of the commencement of the Occurrence.
3. The Occurrence limits applicable under this policy and any other policy or policies issued by the Underwriter having the same Named Insured and the same expiration date as this policy shall in the aggregate be the Occurrence limits referred to in Condition F.2. The deductible referred to in Condition F.1 of this policy shall be the deductible applicable to any Ultimate Net Loss covered hereunder incurred by the Assured.
4. (a) Notwithstanding Condition F.1 with respect to one or more losses from a single Occurrence (other than a Designated Named Windstorm Occurrence) arising in any manner out of the Assured's insured interest in any joint venture(s), co-venture(s), joint lease(s), joint operating agreement(s), partnership(s) or affiliated company or companies not otherwise insured as an entire entity or entities under this policy, the Assured's deductible shall be subject to adjustment as follows:
 - (i) when only one loss from a single Occurrence is involved, the Assured's deductible shall be adjusted to an amount (no less than one million dollars (\$1,000,000)) computed by multiplying the deductible otherwise applicable under this policy by the Assured's percentage interest in such loss;

(ii) when the Assured's insured interest in more than one loss from a single Occurrence is involved, the Assured's deductible shall be adjusted to an amount (no less than one million dollars (\$1,000,000)) computed by multiplying the deductible otherwise applicable under the policy by the percentage derived by dividing the sum of the Assured's interests in all such losses by the sum of all such losses (subject to a maximum of one hundred percent (100%)).

(b) Notwithstanding Conditions F.1 and F.4a, when a single Occurrence causes a loss in which the Assured's interest is one hundred percent (100%) and also a loss or losses in which the Assured's interest is less than one hundred percent (100%), the full amount of the Assured's deductible shall be first deducted from the loss in which the Assured has a one hundred percent (100%) interest and the remainder of such deductible, if any, shall be adjusted in accordance with Condition F.4a(ii) and deducted from the total of the losses in which the Assured has less than a one hundred percent (100%) interest.

(c) Notwithstanding Conditions F.1, F.4a and F.4b, when an Assured's percentage interest in a joint venture fluctuates, as respects a loss from a single Occurrence, the Assured's deductible shall be adjusted to an amount (no less than one million dollars (\$1,000,000)) computed by multiplying the deductible otherwise applicable under the policy by the percentage derived by dividing the Assured's allocable share of the loss by the total amount of the loss.

5. Where one Occurrence causing loss to the Assured also causes loss to one or more other Assureds of the Underwriter, or Assured(s) of Named Insured(s) holding reinsurance policy(ies) issued by the Underwriter, the cumulative liability of the Underwriter as respects the Assured and all such Assured(s) and Named Insured(s) combined shall never exceed an amount (the "**Aggregation Limit**") determined by and at the discretion of the Board of Directors from time to time.¹ Such Aggregation Limit may be set by the Board of Directors at different amounts in respect of any Designated Named Windstorm Occurrence and any other Occurrence. The determination whether or not loss to the Assured, other Assureds and/or Named Insureds arises out of one Occurrence shall be made by and at the discretion of the Board of Directors. When the cumulative liability of the Underwriter exceeds the Aggregation Limit, the amount recoverable shall be prorated in accordance with a formula² established by the Underwriter.

As respects any Designated Named Windstorm Occurrence only the portion of Named Windstorm Losses exclusive of any amount within any Quota Share Retention or subject to Retrospective Premium shall be taken into account as respects the Aggregation Limit.

6. There shall be an annual aggregate limit for the Named Insured as respects all Designated Named Windstorm Occurrences taking place during any calendar year equal to the Designated Named Windstorm Annual Aggregate Limit.

¹ The Board of Directors resolved on July 20, 2011 that effective January 1, 2012 the Aggregation Limit in respect of any Designated Named Windstorm Occurrence shall be seven hundred fifty million dollars (\$750,000,000) and further resolved on July 22, 2021 that effective January 1, 2022 the Aggregation Limit for any other Occurrence shall be one billion three hundred fifty million dollars (\$1,350,000,000).

² The current formula established by the Underwriter is:

The Assured shall recover the product of (a) the Aggregation Limit and (b) the Assured's Unrestricted Recovery divided by the sum of the Unrestricted Recoveries of all Assureds.

"Unrestricted Recovery" means the liability of the Underwriter to the Assured or Named Insured, as the case may be, determined in accordance with all the terms and conditions of the policy, except Condition F.5

G. Other Insurance:

This insurance shall be in excess of any other valid and collectible insurance and shall not apply until all such other insurance has been exhausted unless and until the Assured specifies and submits to the Underwriter, in writing, those insurance policy(ies) or specified coverage(s) or amount(s) of coverage(s) thereunder which shall be in excess of this insurance and the Underwriter has evidenced the receipt thereof by the issuance of Endorsement 5 to the Assured. Such other insurance shall apply to satisfy the deductible stated in Condition F, provided that this policy shall in no way be subject to, or affected by, the terms, conditions or limitations of such other insurance, or the coverage, rights and/or obligations of the parties under such other insurance, nor contribute with such other insurance. Further provided that, notwithstanding anything set forth above, or any other provision of this policy, this insurance shall always and in all respects be excess of any insurance or coverage with a Protection and Indemnity Club. As respects coverage under insuring agreement 3, notwithstanding anything set forth above, or any other provision of this policy, this insurance shall always and in all respects be in excess of all compensation available, or which would, but for the existence of this policy, be available, through the International Oil Pollution Compensation Fund, as amended, supplemented or extended, or any future conventions or funds (as amended, supplemented or extended) of a similar nature or purpose.

Any insurance coverage furnished by an Assured's wholly-owned insurance Subsidiary shall not be considered other insurance and shall not reduce the amount payable under this policy. However, insurance or reinsurance purchased by such wholly-owned insurance Subsidiary shall be considered other insurance and shall reduce the amount payable under this policy.

H. Subrogation:

In case of any payment hereunder, the Underwriter will act in concert with all other interests (including the Assured) concerned, in the exercise of rights of recovery (with expenses thereof, including attorneys' fees, being shared by the Underwriter in the ratio that their portion of the Ultimate Net Loss bears to the total Ultimate Net Loss). Any net recovery, i.e., gross recovery less expense incurred in effecting such recovery (excluding only salaries of Assured's and Underwriter's employees) shall be apportioned among the interests concerned (including the Assured) in the ratio that their portion of the Ultimate Net Loss bears to the total Ultimate Net Loss, provided that there shall not be apportioned to the Underwriter an amount larger than the amount sufficient to place the Underwriter in the same position as if no loss with respect thereto had been paid by the Underwriter.

The Underwriter shall be subrogated to the extent of any payment made, to any right of recovery of the Assured against any third person, corporation, Watercraft or interest arising out of or connected with the loss or damage with respect to which such payment is made except that the Underwriter hereby waives all right of subrogation against:

- (a) any Watercraft owned or bareboat chartered by the Assured or by any Subsidiary or Affiliate of the Assured, but then only as respects their activities on behalf of the Assured's operations insured hereunder;
- (b) any Subsidiary or Affiliate of the Assured or its Subsidiaries;
- (c) any person or persons, corporation or company who by contract, whether oral or written, joins the Assured as a co-participant in any of the Assured's operations insured hereunder and against any Watercraft owned or bareboat chartered by such party, but then only as respects their activities in behalf of the operations insured hereunder in which such party has joined the Assured;

(d) any party to whom the Assured has given a release of liability prior to any loss or damage, or any party who can make a direct charge back to the Assured of all or any portion of any amount recovered by the Underwriter but only to the extent of such claim;

(e) the directors, officers and employees of any entity in sections (a) through (d) above.

I. Submission of Claim:

As respects loss under insuring agreements 1 and/or 2, the Assured as a condition precedent to coverage hereunder shall submit to the Underwriter a claim for indemnification in the form of a proof of loss in respect of any amount of Ultimate Net Loss in excess of the amount borne by the Assured and for which the Underwriter may be liable under the policy within a reasonable period after the Assured shall have paid (or, if the property is not to be repaired or replaced, sustained), such amount. If any subsequent payments shall be made by the Assured or, if the property is not to be repaired or replaced, sustained with respect to matters covered by insuring agreements 1 and/or 2 as respects the same Occurrence, additional claims shall be made similarly from time to time.

As respects loss under insuring agreement 3, the Assured as a condition precedent to coverage hereunder shall submit to the Underwriter a claim for indemnification in the form of a proof of loss in respect of any amounts of Ultimate Net Loss in excess of the amount borne by the Assured and for which the Underwriter may be liable under the policy within twelve (12) months after the Assured shall have paid such amount (irrespective of any rights the Assured may have regarding contribution, indemnification, other insurance or otherwise which may reduce the amount of such Ultimate Net Loss). Liability under insuring agreement 3 shall not attach unless and until the Assured's liability covered hereunder shall have been fixed and rendered certain either by final judgment against the Assured or by settlement with prior approval in writing by the Underwriter. If any subsequent payments shall be made by the Assured with respect to the same Occurrence, additional claims shall be made similarly, and within twelve (12) months of such payment.

The Underwriter shall indemnify the Assured upon adjustment and acceptance by Underwriter of a final proof of loss as to the amount in question, subject to such progress payments as the Underwriter shall determine to make upon terms and conditions satisfactory to Underwriter.

For the avoidance of doubt, with respect to claims pursuant to insuring agreement 2a, 2b, 2c, 2d or 3, the Underwriter shall not be obligated to indemnify the Assured in respect of any amount until the Assured shall have paid such amount.

With respect to claims under insuring agreement 1:

(a) where the property is to be repaired or replaced, the Underwriter shall not be obligated to indemnify the Assured for any amount prior to the time that the Assured shall have paid such amount, to the extent covered hereunder, to effect such repair or replacement, and

(b) where the property is not to be repaired nor replaced, the Underwriter shall not be obligated to indemnify the Assured in respect of the loss sustained prior to the time that the Assured has submitted a written certification by a responsible official of the Assured, in form and substance satisfactory to Underwriter, that there will be no repair or replacement of the property in question as contemplated by Condition A.1; provided, however, that where the property in question consists of inventories, materials, supplies, cash and/or cash equivalents, such property shall be deemed to have been replaced as of the time of loss thereof.

J. Bankruptcy and Insolvency:

In the event of the bankruptcy or insolvency of the Assured or any entity comprising the Assured, the Underwriter shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

K. Currency:

The premium and losses under this policy are payable in United States currency, and wherever the word “dollars” or the symbol “\$” appears herein they are deemed to mean United States Dollars. Where any loss is denominated in other than United States Dollars, the date of conversion of such loss to United States currency shall be:

(a) For losses covered under insuring agreements 1 and 2, the date when the proof of loss with respect thereto, acceptable to the Underwriter and to the Named Insured, is finalized by the Underwriter for the signature of the Named Insured.

(b) For losses covered under insuring agreement 3, the date of the judgment or the date consent to settle is granted by the Underwriter, whichever is applicable.

The Underwriter may use any generally recognized source, including, without limitation, any widely distributed financial newspaper, for currency conversion rates selected by it in its sole discretion.

L. Automatic Renewal, Cancellation and Non-Renewal:

An expiring policy will be automatically renewed for a full calendar year unless notice of non-renewal is received three (3) calendar months or more prior to the policy expiration date.

This policy may be cancelled by the Underwriter, and coverage under this policy and obligations of the Underwriter under this policy are subject to termination in accordance with the Shareholders' Agreement, as amended.

The Named Insured may elect not to renew this policy in accordance with the Shareholders' Agreement as amended.

M. Limits, Sublimits and Deductibles:

The limits and deductibles applicable to all policies of the Named Insured with the Underwriter shall be set forth on the Policy Declaration.

Except in respect of a Designated Named Windstorm Occurrence, where different deductibles apply to different elements of Ultimate Net Loss arising out of one occurrence, then any Ultimate Net Loss which erodes one deductible also shall erode an equal or higher deductible applicable to other Ultimate Net Loss but shall not erode a lower deductible applicable to other Ultimate Net Loss; in no event shall the aggregate of the deductibles applicable to any given occurrence exceed the largest deductible for any Ultimate Net Loss implicated by such occurrence. With respect to a Designated Named Windstorm Occurrence, the deductible(s) with respect to any Offshore Geographic Region(s) shall apply separately from and cumulatively with the deductible(s) with respect to any Onshore Geographic Region(s) such that Ultimate Net Loss which erodes the former shall not erode the latter and vice versa; provided, however, as between and among multiple Offshore Geographic Regions, and/or, separately, as between and among multiple Onshore Geographic Regions, any Ultimate Net Loss arising out of an occurrence which erodes one deductible also shall erode an equal or higher deductible applicable to other Ultimate Net Loss arising out of the same occurrence but shall not erode a lower deductible applicable to other Ultimate Net Loss; in no event shall the aggregate of the deductibles applicable to any

such occurrence exceed the largest deductible for any Ultimate Net Loss implicated by such occurrence separately for Offshore Geographic Regions and Onshore Geographic Regions.

As respects insuring agreements 1 and 2, for all non-owned property insured by the Underwriter but which is not included in the Assured's Unmodified Gross Assets and which is not used or intended for use in the operations of the Assured, there shall be a sublimit per Occurrence in the amount of fifty million dollars (\$50,000,000), which shall be included within, and shall not increase, the insurance limit per Occurrence otherwise applicable in respect of such Occurrence as respects such non-owned property and other property collectively.

N. Premium:

In consideration of all the provisions of this policy, the Annual Premium under all policies of the Named Insured with the Underwriter shall be determined in accordance with the Rating & Premium Plan.

O. Territory:

Worldwide.

P. Amendment of Policy In Accordance With Shareholders' Agreement:

This policy is in all respects subject to the Shareholders' Agreement and the Exhibits thereto; and this policy and all provisions thereof are subject to amendment, revision and modification, in any and all respects, and without the consent of or notice to any Assured or any other person, in accordance with such Shareholders' Agreement; and any such amendment, revision or modification shall be immediately effective and applicable to this policy whether or not noted on this policy by way of endorsement or otherwise. It is not the practice of the Underwriter to replace policies to reflect such amendments, revisions or modifications, but copies of the current form of policy can be obtained from the Underwriter upon request.

Q. Abandonment:

There shall be no abandonment to the Underwriter of any property without the Underwriter's acceptance in writing.

R. Arbitration:

The parties shall endeavor to resolve amicably by mediation any dispute, controversy or claim arising out of or relating to this policy including any question regarding its existence, validity, cancellation or termination.

If a dispute, controversy or claim is not settled within forty five (45) calendar days after a party sends a written request for mediation to the other party, such dispute, controversy or claim shall be finally resolved by arbitration. The place of arbitration shall be in London, England. The language of arbitration shall be English.

The arbitration shall be commenced by a request for arbitration by the claimant, delivered to the respondent. The request for arbitration shall set out the nature of the claim(s) and the relief requested.

The arbitral tribunal shall consist of three arbitrators, one selected by the claimant in the request for arbitration, the second selected by the respondent within thirty (30) calendar days of receipt of the request for arbitration, and the third, who shall act as presiding arbitrator, selected jointly by the claimant and the respondent within thirty (30) calendar days of the selection of the second arbitrator. If any

arbitrators are not selected within these time periods, the London Court of International Arbitration (“LCIA”) shall, upon request of any party, make the selection(s).

If a vacancy arises, the vacancy shall be filled by the method by which the arbitrator was originally appointed, provided, however, that if a vacancy arises during or after the hearing on the merits, the remaining two arbitrators may proceed with the arbitration and render an award.

The arbitrators shall be independent and impartial. Any challenge of an arbitrator shall be decided by the LCIA.

The arbitral tribunal shall render its award ninety (90) calendar days following the closure of the case. The award shall be final and binding on the parties thereto. The parties waive any right to appeal and/or seek collateral review of the award of the arbitral tribunal by, any court or other body to the fullest extent permitted by applicable law, including, without limitation, application or appeal under Sections 45 and 69 of the English Arbitration Act of 1996, as amended.

The provisions of this Condition R shall bind all parties seeking to assert rights under or claim rights or benefits related to this policy, including, without limitation, any Assured, any claimant against any Assured and any other insurer of any Assured.

The arbitral tribunal shall award to the prevailing party, as the arbitral tribunal may determine in its discretion, the reasonable costs and expenses, including counsel’s fees, involved in preparing and presenting its case. The Underwriter and the Assured agree that in the event that claims for indemnity or contribution are asserted in any action or proceeding against the Underwriter by any of the Assured’s other insurers in any jurisdiction or forum other than that set forth in this Condition R, the Assured will in good faith take all reasonable steps requested by the Underwriter to assist the Underwriter in obtaining a dismissal of these claims (other than on the merits) and will undertake to the court or other tribunal to reduce any judgment or award against such other insurers to the extent that the court or tribunal determines that the Underwriter would have been liable to such insurers for indemnity or contribution pursuant to this policy. The Assured shall be entitled to assert claims against the Underwriter for coverage under this policy, including, without limitation, for amounts by which the Assured reduced its judgment against such other insurers in respect of such claims for indemnity or contribution, in an arbitration between the Underwriter and the Assured pursuant to this Condition R, which arbitration may take place before, concurrently with and/or after the action or proceeding involving such other insurers; provided, however, that the Underwriter in such arbitration in respect of such reduction of any judgment shall be entitled to raise any defenses under this policy and any other defenses (other than jurisdictional defenses) as it would have been entitled to raise in the action or proceeding with such insurers (and no determination in any such action or proceeding involving such other insurers shall have collateral estoppel, *res judicata* or other issue preclusion or estoppel effect against the Underwriter in such arbitration, irrespective of whether or not the Underwriter remained a party to such action or proceeding).

S. Choice of Law:

This policy shall be interpreted and construed under the internal laws of the State of New York, except (a) such interpretation and construction shall not apply as to bar the payment of punitive damages under insuring agreement 3 of this policy, (b) insofar as such laws pertain to regulation by the Insurance Department of the State of New York of insurers doing insurance business or issuance or delivery of policies of insurance within the State of New York, and (c) insofar as such laws are inconsistent with any express provision of this policy, the Shareholders’ Agreement or Bye-Laws or any Exhibit thereto, including, without limitation, any provision relating to cancellation or non-renewal of this policy, the effects thereof or the obligations arising thereupon provided, however, that the provisions, stipulations, exclusions and conditions of this policy are to be construed in an evenhanded fashion as between the Assured and the Underwriter; without limitation, where the language of this policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the

relevant provisions, stipulations, exclusions and conditions (without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the Assured or the Underwriter).

T. Dates & Times:

All dates and times, unless explicitly stated otherwise, shall use the time scale of Eastern Standard Time. A date shall start at 00:00:00 hours (midnight) and end at 23:59:59 hours. The time portion of a date after 23:59:59 hours but before 00:00:00 hours of the following date shall be deemed to be 23:59:59 hours.

POLICY DEFINITIONS

The definitions of the terms defined in the Shareholders' Agreement and exhibits thereto are incorporated by reference into this policy.

“Act of Piracy” means any illegal act of violence or detention, or any act of depredation, committed for private ends by the crew or passengers of a private ship or a private aircraft, and directed against a ship, aircraft, property or against persons or property on board such a ship, aircraft or property, in a place outside the jurisdiction of any sovereign state.

“Act of Terrorism” means use of force or violence by any person(s), whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious, ideological or other similar purposes, and whether or not the loss or damage resulting therefrom is accidental or intentional. Such acts shall include but not be limited to hijacking, sabotage or bombings. An Act of Terrorism includes an act of any person(s) who are agents of a government (*de facto* or *de jure*) and who are acting secretly and not in connection with the operation of regular military or naval armed forces in the country where the Assured's property is located, provided that the acts of such person(s) shall not include the acts of a person or persons acting on behalf of a government, governmental authority, state or state-like entity whether or not recognized internationally, or power (usurped or otherwise) which exercises *de facto* control over that part of the land area of the country in which the described property is situated.

“Activation” means (1) as respects a Hot Zone of a Nuclear Facility that contains a Nuclear Reactor the date, after commissioning or Deactivation, on which nuclear fuel and/or Nuclear Material is first inserted into the core of such Nuclear Reactor, or (2) as respects a Hot Zone of a Nuclear Facility that does not contain a Nuclear Reactor the date, after commissioning or Deactivation, on which nuclear fuel, Spent Fuel, Waste, and/or Nuclear Material is first present in such Hot Zone.

“Affiliate” means any corporation, partnership, association, joint stock company, trust or other legal entity, now or hereafter constituted, with respect to which the stock, voting power or other interest entitled to vote or otherwise control some portion fifty percent (50%) or less of the votes cast for the election of directors or appointment or selection of other management is owned or controlled, directly or indirectly, by the Named Insured.

“Atlantic Basin” means the North Atlantic Ocean, Caribbean Sea and the Gulf of Mexico bounded to the east by longitude twenty (20) degrees west, to the south by latitude ten (10) degrees north, and to the north by latitude forty five (45) degrees north.¹

“Betterment” means a repair or a replacement to property that results in a condition superior to or more extensive than its form and condition immediately prior to the loss. Betterment shall not mean the additional costs of repair or replacement of property that is required by applicable governmental law or regulation as included within Replacement Cost.

“Business Interruption Loss” means reduction in gross or net earnings resulting from interruption of or interference with the Assured’s business, including loss of production income and loss of throughput revenue.

“Byproduct Material” shall have the meaning given in the United States Atomic Energy Act of 1954 as amended.

“Consolidated” means those Subsidiaries and Affiliates whose accounts are consolidated in the financial statements of the Named Insured in accordance with generally accepted accounting principles in the United States of America or the International Financial Accounting Reporting standards. For a Named Insured whose Subsidiaries and Affiliates are not consolidated in accordance with either generally accepted accounting principles in the United States of America or the International Financial Accounting Reporting standards, the Underwriter and the Named Insured shall agree on a method of financial

¹ The map presented below is for illustrative purposes only, the definition of Atlantic Basin is controlling.



presentation which shall as nearly as practicable in the discretion of the Underwriter provide for inclusion of Subsidiaries and Affiliates in financial reports to the Underwriter in a manner substantially consistent with that utilized by other named insureds of the Underwriter. In such event the term Consolidated as referring to Subsidiaries and Affiliates shall mean those Subsidiaries and Affiliates whose accounts are consolidated in the financial reports prepared for the Underwriter in the agreed upon format.

“Coordinated Universal Time (UTC)” means the international time scale that forms the basis for the coordinated dissemination of standard frequencies and time signals as realized by the Bureau International des Poids et Mesures (BIPM) and its successors. 00:00:00 UTC coincides with midnight at the zero meridian in Greenwich, England.

“Date of Discovery” means the point in time when the loss or damage which has been caused by an Occurrence is discovered. For obvious or visible damage, this is the first point in time that any damage, however slight or severe, comes to the attention of any supervisory employee of an Assured. For latent damage, it is the first point in time that testing reveals any damage, however, slight or severe.

“Deactivation” as respects a Hot Zone of a Nuclear Facility means the process of placing such Hot Zone in a stable and known condition to ensure adequate protection of the worker, public health and safety, and the environment prior to major equipment replacement and/or upgrade. Deactivation shall include (1) as respects a Hot Zone of a Nuclear Facility that contains a Nuclear Reactor the removal of all nuclear fuel, Spent Fuel, and/or Nuclear Material from the core of such Nuclear Reactor, and/or (2) the removal of all nuclear fuel, Spent Fuel, Waste, and/or Nuclear Material from such Hot Zone. Deactivation does not include the removal of contamination remaining in the fixed structures and equipment after Deactivation.

“Depreciated Cost” means the costs to repair or replace the property damaged or destroyed within a reasonable time after the loss or damage to form and condition equal but not superior to or more extensive than its form and condition immediately prior to the loss (with a deduction for depreciation and technological, functional and economic obsolescence).

“Designated Named Windstorm” means a Named Windstorm whose Storm Center originates in or migrates into the Atlantic Basin or a Designated Named Windstorm Geographic Region.

“Designated Named Windstorm Annual Aggregate Limit” means an amount equal to the product of the Designated Named Windstorm Occurrence insurance limit per occurrence for the Named Insured and a factor¹ to be determined by the Board of Directors prior to the end of any calendar year as respects the following calendar year(s).

“Designated Named Windstorm Occurrence” means an Occurrence attributable directly or indirectly to a Designated Named Windstorm (and is applicable for all losses, damages, and sums covered under this Policy arising from such Designated Named Windstorm irrespective of the period or area over which such losses occur), whether arising out of measures undertaken in preparation for possible impact of a specific storm or to wind, rain, flood, storm surge or other physical phenomena, and including, without limitation, any ensuing fire, explosion or collapse which is a consequence of such preparatory steps or physical impact. Any such Designated Named Windstorm Occurrence shall be deemed to commence at the time the Responsible Meteorological Service first advises meteorologists in the private sector and/or makes a public announcement of the naming of the pertinent weather system.

“Eastern Standard Time (EST)”, means the time scale that is UTC minus five (5) hours, with no adjustments for daylight savings time.

¹ On December 10, 2009 the Board of Directors resolved that effective January 1, 2010 the factor used to determine the Designated Named Windstorm Annual Aggregate Limit shall be two (2).

“Electrical Facility” means any electrical power generating plant, switchyard, transformer station or transformer substation (but not including any line transformer or other similar equipment used in transmission or distribution of electricity), provided it is otherwise insured under this policy.

“Electrical Transmission and Distribution System” means all above ground electrical transmission and/or distribution lines, towers, poles, fixtures, overhead conductors and devices, line transformers, service meters, street lighting, signal systems or any other above ground structure or equipment used to transmit or distribute electricity from or through any Electrical Facility, except that any of the foregoing which is within one thousand (1,000) meters of an Electrical Facility is not considered part of an Electrical Transmission and Distribution System.

“Environmental Control Costs” means any and all expenses and costs incurred which relate to or arise from the cleanup, containment, remediation, removal or control of seepage, pollution or contamination, or the results thereof. For purposes of this definition, seepage, pollution or contamination includes, without limitation, the discharge, dispersal, release or escape of pollutants into or upon land or other real estate, atmosphere, any watercourse or body of water whether above or below ground or otherwise into the environment.

“Extra Expense” means expense or cost incurred (1) to continue the conduct of the Assured’s business, (2) for temporary use of property or facilities of the Assured or others, (3) to expedite repair or replacement of property or facilities subject to physical loss or physical damage, or (4) otherwise to reduce Business Interruption Loss.

“FLNG” means a floating liquefied natural gas unit employing technologies designed to enable the storage of offshore natural gas resources.

“FPSO” means a floating production, storage and offloading system used by the offshore oil and gas industry for the production or processing of hydrocarbons and for storage of hydrocarbons. FSOs and FLNGs are included within this definition. The determination as to whether a particular property constitutes an FPSO shall be at the sole determination of the Underwriter.

“FSO” means a floating storage and offloading contrivance or tank system used by the offshore oil and gas industry and designed to take all of the oil or gas produced from nearby platforms or templates, process it, and store it until the oil or gas can be offloaded onto a tanker or transported through a pipeline.

“Governmental Direction” means any order, mandate or instruction given, provided or issued by governmental authority or agency or instrumentality thereof or regulatory authority relating thereto.

“Gulf Of Mexico” means the portion of the Atlantic Basin bounded on the northeast, north and northwest by the states of Texas, Louisiana, Mississippi, Alabama, and Florida, on the southwest and south by Mexico, on the southeast by Cuba and between Mexico and Cuba by a line drawn between Chetumal, Quintana Roo, Mexico and La Jagua, Cuba and between Cuba and Florida by a line drawn between Santa Clara, Cuba and Miami, Florida.¹

“Hazardous Properties” means radioactive, toxic or explosive properties.

“Hot Zone” means the following buildings together with their contents:

- (1) reactor containment building,
- (2) reactor auxiliary building,
- (3) buildings for the storage of new and irradiated fuel,
- (4) decontamination building,
- (5) active workshop, or
- (6) buildings for the treatment and storage of radioactive Waste.

“Named Insured” means the entity named in the Policy Declaration.

“Named Windstorm” means a hurricane, typhoon, tropical cyclone, cyclonic storm or any other windstorm which is assigned a name by the Responsible Meteorological Service.

¹ The map presented below is for illustrative purposes only, the definition of Gulf Of Mexico is controlling.



“Nuclear Facility” means, except as otherwise agreed to by the Underwriter, any of the following, provided that Nuclear Material is contained therein or being used therewith or Nuclear Material is present at the site where the same is located:

- (1) any Nuclear Reactor,
- (2) any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing Spent Fuel, or (c) handling, processing or packaging Waste,
- (3) any equipment or device used for the processing, fabricating or alloying of Special Nuclear Material if at any time the total amount of such material in the custody of the Assured at the premises where such equipment or device is located consists of or contains more than twenty five (25) grams of plutonium or uranium 233 or any combination thereof, or more than two hundred fifty (250) grams of uranium 235,

“Nuclear Material” means Source Material, Special Nuclear Material, Byproduct Material or any other radioactive substance.

“Nuclear Plant” means one or more Nuclear Facilities located at the same site.

“Nuclear Reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Occurrence” means an event or a continuous or repeated exposure to conditions which commence during the term of this policy and cause personal injury or bodily injury, including death, or loss of use of or damage to property, or a condition covered by insuring agreement 2b, 2c or 2d, that is neither expected nor intended by the Assured, and the Coverage Options applicable to such Occurrence shall be the Coverage Options in effect at the time of commencement of such event or continuous or repeated exposure to conditions. With respect to any event or exposure to conditions relating to or arising out of any interest in any asset or entity, or relating to or arising out of such asset or entity, acquired by an Assured, the term of this policy and coverage under this policy shall commence no earlier than the time of such acquisition (except that this shall not affect coverage otherwise in effect pursuant to agreement in writing entered into prior to loss and not entered into in connection with such acquisition).

For the purposes of this policy, where a series of and/or several losses occur which are attributable directly or indirectly to one accident, event, or cause, all such losses shall be added together and the total amount of such losses shall be treated as one Occurrence irrespective of the period or area over which the losses occur. So far as loss involving in whole or in part the perils of nature, including but not limited to tornado, windstorm, cyclone, hurricane or hail, is concerned, the words “one accident, event, or cause” shall mean one single atmospheric disturbance as designated by the Responsible Meteorological Service. In the event such authority does not make such a designation, the Underwriter shall select another appropriate means of making such designation. So far as loss involving in whole or in part the peril of earthquake is concerned, the words “one accident, event or cause” shall mean one or more earthquake shocks occurring within any period of seventy two (72) hours arising out of any one fault or interconnected series of faults or otherwise causally interrelated.

“Out of Control” with regard to a Well means when there is a flow from the Well which is uncontrollable.

“Pipeline” means a long pipe or series of connected pipes used to convey fluids.

“Policyholder” means the Named Insured and its Consolidated Subsidiaries and Affiliates.

“Product and Completed Operations Liability” means liability:

(1) for personal injury or bodily injury, including death, or loss of use of or damage to, property of any kind or description arising out of the end-use of goods or products manufactured, sold, tested, handled, labelled or distributed by the Assured or others trading under its name if such use occurs after possession of such goods or products has been relinquished to others by the Assured or by others trading under its name and if such use occurs away from premises owned, rented or controlled by the Assured; provided such goods or products shall be deemed to include any container thereof other than a vehicle, Watercraft or aircraft; or

(2) arising out of operations of the Assured, if the Occurrence commences after such operations have been completed or abandoned and occurs away from premises owned, rented or controlled by the Assured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further the following shall not be deemed to be “operations” within the meaning of this paragraph:

- (a) pick-up or delivery, except from or onto a railroad car;
 - (b) the maintenance of vehicles owned or used by or on behalf of the Assured;
- or
- (c) the existence of tools, uninstalled equipment and abandoned or unused materials.

“Replacement Cost” means the costs to repair or replace the property lost or damaged to form and condition equal to but not superior to or more extensive than its form and condition immediately prior to the loss (without deduction for depreciation or technological, functional or economic obsolescence); provided, however, that the cost to repair property lost or damaged in part only shall not exceed the cost to replace the property in its entirety. Replacement Cost will also include the additional costs to repair or replace the property lost or damaged to comply with applicable governmental law or regulation and such additional costs shall not be deemed to constitute Betterment; provided, however, that any recovery pursuant to the provisions of this sentence shall not exceed, with respect to any Occurrence, ten percent (10%) of recovery from the Underwriter absent this sentence. The cost to repair or replace the property shall include the actual costs for the Assured’s own internal project management, or the portion of such costs incurred by the operator where the Assured is a joint venture partner, such allowance being in addition to any other project management costs of outside project managers, contractors, vendors, consultants, and the like.

“Responsible Meteorological Service” means, as respects the Atlantic Basin, the National Oceanic & Atmospheric Administration within the United States Department of Commerce or any successor or comparable agency or, as respects the rest of the world, the appropriate Regional Specialized Meteorological Center, Tropical Cyclone Warning Center or other responsible meteorological service or center.

“Right of Way” means the legal right, acquired by grant, to pass along a specific route through grounds or property belonging to another.

“Secured Following Launch” means when the Watercraft is secured to the next station for completion or construction, whether it be in or on a dry dock or afloat or at a finishing dock or otherwise.

“Source Material” shall have the meaning given in the United States Atomic Energy Act of 1954 as amended.

“Special Nuclear Material” shall have the meaning given in the United States Atomic Energy Act of 1954 as amended.

“Spent Fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a Nuclear Reactor.

“Storm Center” means (1) for any cyclonic Named Windstorm the point of lowest barometric pressure at the surface within the Named Windstorm’s central area, or (2) for all other Named Windstorms the center of the area covered by the Named Windstorm.

“Subsidiary” means any corporation, partnership, association, joint stock company, trust or other legal entity, now or hereafter constituted, with respect to which the stock, voting power or other interest entitled to vote or otherwise control more than fifty percent (50%) of the votes cast for the election of directors or appointment or selection of management is owned or controlled, directly or indirectly, by the Named Insured.

“Sue and Labor Expense” means expenses reasonably and necessarily incurred by the Assured for the preservation and protection of property covered under this policy.

“Ultimate Net Loss” means the actual loss sustained by the Assured arising out of or resulting from any one Occurrence

“Under Control” with regard to a Well, means either (1) when the Well can be re-entered for salvage, fishing, whip-stocking or cleaning operations or to resume drilling, or (2) when the Well, including a relief Well if any, can be plugged or abandoned, whichever occurs earlier. A Well shall not be considered as under control merely because of temporary cessation of flow due to a bridging over or other cause unless further control efforts are unnecessary.

“Use or Occupancy Loss” means the lost value of use or occupancy of any property or facilities owned, leased or otherwise utilized or occupied by the Assured during the period of repair or replacement of such property or facilities.

“Waste” as used in definitions applicable to exclusion 3 of this policy, means any waste material (1) containing Byproduct Material and (2) resulting from the operation by any person or organization of any Nuclear Facility included within the definition of Nuclear Facility under paragraph (1) or (2).

“Watercraft” means any craft or contrivance used or capable of being used to provide transport by water, including but not limited to tank vessels, towboats and barges, vessels used in the construction of pipelines, storage vessels, drill ships, and offshore drilling barges of every kind and description. For the avoidance of doubt, the term “vessel” is included within the definition of Watercraft. An FPSO shall not be considered a Watercraft.

“Watercraft Equipment” means all items and material used to support the operation, functioning and maintenance of the Watercraft and shall include hulls, launches, lifeboats, rafts, furniture, bunkers, stores, supplies, tackle, fittings, equipment, machinery, apparatus (inclusive, in the case of a drill ship or drill barge, of drilling rigs and equipment, derricks, drill stems, lifting jacks, casing and tubing while aboard such ship or barge and drill stem in the Well being drilled), boilers, refrigerating machinery, insulation, motor generators and other electrical machinery.

“Well” means any shaft, pit or hole normal or incidental to energy exploration, production or storage of oil, gas, other fossil fuels or hydrocarbon products, geothermal energy, or water or brine, and includes a salt dome, excavation or other subterranean area used for storage purposes.

“Work Vessel” means any Watercraft other than Watercraft designed and constructed for the transportation of cargo or passengers, including but not limited to Watercraft used in oil, gas and other mineral exploration, drilling and producing operations and storage operations in connection therewith (inclusive, among others, of drill ships and offshore drilling barges of every kind and description and Watercraft used in the construction or maintenance of pipelines, platforms or other facilities).

In Witness Whereof, these presents have been executed by the undersigned at Hamilton, Bermuda, this..... day of..... , 20.....

EVEREN LIMITED

By _____
Signature and Title of Person Signing

Applicability of Exclusions Chart

Insuring Agreements						
Exclusions	1	2a	2b	2c	2d	3
1a	•	•		•		
1b						•
2	•	•	•	•	•	•
3a	•	•	•	•	•	
3b						•
4	•	•	•	•	•	•
5	•	•	•	•	•	
6	•	•	•	•	•	
7	•					
8	•	•	•	•	•	•
9	•	•	•	•	•	
10	•	•	•	•	•	•
11	•	•	•	•	•	•
12	•	•	•	•	•	•
13	•	•	•	•	•	•
14			•			
15	•	•	•	•	•	•
16	•	•	•	•	•	
17	•					
18	•	•	•	•	•	•
19	•					
20	•	•	•	•	•	•
21		•	•	•	•	•
22	•					
23	•	•	•	•	•	•
24	•	•	•	•	•	•
25				•		
26						•
27				•		
28						•
29						•
30					•	
31		•				
32						•
33	•	•	•	•	•	•
34	•	•	•	•	•	•
35	•	•	•	•	•	•

This chart is provided as a reference aid only and has not been approved by the Shareholders. The language of the policies shall be controlling in all cases.

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Everen Limited Reinsurance Policy

NAMED INSURED

In consideration of the premium stated herein EVEREN LIMITED (hereinafter called “**Underwriter**”) does reinsure insurance policies issued by the Company or Companies named in the current Policy Declaration as the Named Insured to the extent such policies insure:

1. The Energy Company named in the current Policy Declaration and its Consolidated subsidiaries and affiliates.
2. The interest of Energy Company in any Subsidiary or Affiliate that is either non-Consolidated or partially Consolidated (not otherwise insured as an entire entity under any policies issued to any person or entity by the Underwriter) in which the interest of the Energy Company in the Unmodified Gross Assets of such Subsidiary or Affiliate is one percent (1%) or less of the Unmodified Gross Assets of the Energy Company.
3. (a) The interest of the Energy Company in any Subsidiary or Affiliate that is either non-Consolidated or partially Consolidated in which the interest of the Energy Company exceeds one percent (1%) of the Unmodified Gross Assets of the Energy Company; or
(b) A greater interest than that of the Energy Company in any Subsidiary or Affiliate that is either non-Consolidated or partially Consolidated;

Provided, for each interest, as conditions precedent to coverage, each of the following conditions has been met;

- (i) the Energy Company has requested that coverage be extended to the interest; and
- (ii) approval has been granted in writing by the Underwriter; and
- (iii) the value of the interest to be insured has been certified by the appropriate independent chartered accountants or certified public accountants; and
- (iv) such certified amount shall be included in the Energy Company’s Unmodified Gross Assets; and
- (v) the interest to be insured is not otherwise insured under any policies issued to any person or entity by the Underwriter.

The inception date of the reinsurance provided hereunder shall be the date of the Underwriter’s written approval unless otherwise specified.

“**Assured**” means the Energy Company and its non-consolidated subsidiaries and affiliates included for reinsurance under paragraphs 2 and 3 above, both independently and as participants in joint ventures with others.

“**Energy Company**” means the Energy Company named in the current Policy Declaration and its consolidated subsidiaries and affiliates.

REINSURANCE AGREEMENTS

In consideration of the premium stated herein, the Underwriter does hereby agree with the Named Insured to reinsure the Named Insured's insurance policies which provide coverage to the Assured, to the extent hereinafter set forth:

1. To reinsure insurance policies issued by the Named Insured which indemnify the Assured for all risks of direct physical loss or physical damage, caused by an Occurrence, to:

- (a) tangible property owned by the Assured; or
- (b) non-owned tangible property;
 - (i) which is subject to written contractual arrangements under which the Assured has assumed the liability for direct physical loss or physical damage, including but not limited to leases and security agreements, or
 - (ii) in the care, custody or control of the Assured, or
 - (iii) which is the subject of an obligation by the Assured and is determined by the Underwriter in its sole discretion, in writing, to be deemed as being owned by the Assured.

By a written notice to the Underwriter specifying the property, the Named Insured may elect to have excluded from the reinsurance coverage provided for in this reinsurance agreement any non-owned property. Any such election may be rescinded only with the written consent of the Underwriter.

2. To reinsure insurance policies issued by the Named Insured which indemnify the Assured for any sum or sums which the Assured may be obligated to pay or incurs as expenses, on account of:

- (a) Sue and Labor Expense arising from an Occurrence covered hereunder where in the event of an actual or imminent covered physical loss or physical damage to property not otherwise excluded, it shall be lawful and necessary for the Assured, his, its or their factors, servants and assigns to sue, labor and travel for, in and about the defense, safeguard and recovery of the insured property, or any part thereof without prejudice to this reinsurance, nor shall the act of the Assured or the Underwriter in recovering, saving and/or preserving the insured property in the event of an actual or imminent covered physical loss or physical damage to property not otherwise excluded be considered a waiver or an acceptance of abandonment;
- (b) Bringing Under Control a Well that is Out of Control, where such circumstance arises from an Occurrence, or extinguishing a Well fire where such fire arises from an Occurrence;
- (c) Removal of debris of property covered under reinsurance agreement 1, and not otherwise excluded, or debris which the Assured is legally obligated to remove, where such debris arises from an Occurrence, including expenses incurred for the purpose of complying with laws, regulations or other Governmental Direction;
- (d) Costs and expenses incurred in respect of restoration of, redrilling of, (including the cost of abandonment of the original Well where a replacement Well is drilled), or making safe a Well to the same formation, which Well or any part thereof has been lost, damaged or otherwise impaired as a result of such Well getting Out of Control or physical damage to property covered under reinsurance agreement 1 and not otherwise excluded, in each case arising from an Occurrence covered under reinsurance agreement(s) 1 and/or 2b. Batch drilling, and the

associated temporary abandonment of Wells, shall be deemed to be covered under “redrilling” of a Well, whether or not originally drilled by such method.

3. To reinsure insurance policies issued by the Named Insured which indemnify the Assured for any sum or sums for which the Assured may be legally liable (including punitive damages), or has agreed in writing to assume for the benefit of others, as a result of personal injury or bodily injury, including death, or physical loss of or loss of use of, or physical damage to property other than property covered or which could be, but for any of the exclusions contained in this policy, covered under reinsurance agreement 1, arising out of seepage, pollution or contamination caused by an Occurrence. However, a Right of Way within which a Pipeline is located is not deemed to be reinsured under reinsurance agreement 1 for purposes of this reinsurance agreement 3. This reinsurance agreement applies only if the Assured (or, in the case of an Occurrence arising out of the operations of a joint venture in which the Assured has an interest but is not the operator, the operator of such joint venture) becomes aware of the commencement of the seepage, pollution or contamination within forty (40) days of such commencement and the Named Insured provides the Underwriter with written notice of the commencement of such seepage, pollution or contamination within one hundred twenty (120) days of such commencement.

EXCLUSIONS

This reinsurance policy does not apply to:

1. (a) With respect to reinsurance agreements 1, 2a and 2c, all Watercraft, including the hull and any Watercraft Equipment in, on or attached to the Watercraft.

This exclusion shall not apply with respect to:

(i) Work Vessels in which the Assured has no ownership interest and for which the Assured has assumed contractual obligations to repair or replace under agreements which are incidental to the purpose of contracts or agreements customary or necessary to the conduct of the business of the Assured; or

(ii) platforms or parts of platforms, whether stationary or under tow; or

(iii) Watercraft during launching process to the time such Watercraft is first Secured Following Launch.

(b) With respect to reinsurance agreement 3:

(i) any liability which arises in any manner from one or more specific Watercraft by virtue of the Assured’s involvement in, or agreement to assume, indemnify against or guarantee liability in respect of, the design, construction, maintenance, manning, ownership or operation thereof if such Watercraft is:

(A) classified as a tanker vessel designed and constructed for the carriage by sea in bulk of crude petroleum, hydrocarbon fuels, oils derived therefrom, coal or chemicals; or

(B) of more than four thousand five hundred (4,500) gross tonnage and is actually engaged in the transportation in bulk of crude petroleum, hydrocarbon fuels, oils derived therefrom, coal or chemicals;

provided, however, that this clause (i) of this exclusion 1b shall not apply with respect to Watercraft time chartered, spot chartered or voyage chartered by the

Assured (but not designed, constructed, maintained, manned, owned or operated by the Assured or as respects which the Assured has agreed to assume, indemnify against or guarantee liability in respect of the design, construction, maintenance, manning, ownership or operation thereof); or

(ii) any liability which arises in any manner whatsoever from the use, operation, maintenance or repair of an FPSO unless such FPSO:

(A) shall have been secured at its intended site for the production, storage or processing of hydrocarbons at the time of the Occurrence or

(B) after having been secured at its intended site used for the production, storage or processing of hydrocarbons, subsequently, and as the result of an Occurrence or imminent or actual danger or threat thereof or by or at Governmental Direction, but in no event shall this period exceed ninety (90) days unless extended in writing by the Underwriter:

(1) disconnects or is disconnected and is no longer secured or

(2) is in transit but only for such time and distance as is necessary to avoid the Occurrence or imminent or actual danger or threat thereof or to comply with the Governmental Direction; or

(iii) any liability of the Assured arising under the terms of the International Convention on Civil Liability for Oil Pollution Damage, including any amendments or supplemental agreements thereto or extensions thereof, and any future conventions (as amended, supplemented or extended) of a similar nature or purpose which are applicable to Watercraft.

2. All loss, damage, liability, cost or expense of whatsoever nature, in respect of any properties otherwise reinsured under this policy directly or indirectly caused by or resulting from war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, usurped power, or use of any weapon employing atomic or nuclear fission, fusion and/or other radioactive force or matter (hereinafter the "Excluded Acts").

This exclusion applies whether any of the Excluded Acts occur in time of peace or war.

This exclusion does not apply to loss, damage, liability, cost or expense of whatsoever nature, caused by:

(a) an Act of Terrorism, but only if the Act of Terrorism is the sole cause which does not include the Excluded Acts;

(b) an Act of Piracy;

(c) riots, strikes or civil commotion; or

(d) with respect to Offshore properties collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the Watercraft concerned or, in the case of a collision, any other Watercraft involved therein, is performing) by any of the Excluded Acts.

Exceptions (a) through (d) do not apply to loss, damage, liability, cost or expense of whatsoever nature, caused by the use of any weapon employing atomic or nuclear fission, fusion and/or other radioactive force or matter.

3. (a) With respect to reinsurance agreements 1 and 2, (i) the Hot Zone of any Nuclear Facility or (ii) any loss, damage or expense arising out of or resulting from, in whole or in part, nuclear reaction or nuclear radiation or radioactive contamination, or the Hazardous Properties of Nuclear Material, however caused and all whether controlled or uncontrolled, or due in whole or in part to any act or condition incident to any of the foregoing, and whether such loss, damage or expense be direct or indirect, proximate or remote, or be in part caused by, contributed to or aggravated by other perils reinsured against in this policy. Clause (a)(i) of this exclusion 3 shall not apply to the Hot Zone of a Nuclear Facility subsequent to Deactivation and prior to Activation.

(b) With respect to reinsurance agreement 3, personal injury or bodily injury, including death, or loss of or loss of use of or damage to property arising out of or resulting from, in whole or in part, nuclear reaction or nuclear radiation or radioactive contamination or the Hazardous Properties of Nuclear Material, however caused and whether such injury or loss or damage be direct or indirect, proximate or remote, or be in part caused by, contributed to or aggravated by other perils reinsured against in this policy.

(c) This exclusion 3 shall not apply as respects personal injury or bodily injury, including death, or loss of or loss of use of or damage to property resulting from, in whole or in part, radioactive contamination, including fire damage resulting therefrom, caused by use or misuse, other than disposal, of instruments and equipment used for commercial or industrial measurements, inspection, quality control, fire detection or fire protection at premises other than a Nuclear Plant.

(d) This exclusion shall apply to each Nuclear Facility at a Nuclear Plant separately.
4. Crude oil, natural gas, or other minerals in situ, prior to initial recovery above ground.
5. With respect to reinsurance agreements 1 and 2, land, land values, naturally occurring or naturally accumulated water, and crops, including timber, prior to harvesting; except this exclusion does not apply to any alteration to the natural condition of the land by grading, landscaping and additions to land including landscape gardening, pavements, roadways, geotechnical and erosion control works or similar works and including the cost of reclaiming, restoring or repairing land improvements, nor does this exclusion apply to processed water.
6. With respect to reinsurance agreements 1 and 2, any loss of hire of Watercraft, aircraft, rail transportation or other vehicles.
7. With respect to reinsurance agreement 1, any loss, damage, cost or expense caused by or resulting from inherent defect, or caused by any of the following in a gradual manner over a period of time: wear and tear, deterioration, fatigue, rusting, or expansion or contraction due to changes of temperature unless resulting in the collapse of the property or a material part thereof. This exclusion shall not apply to resultant physical loss or physical damage to, or cost or expense incurred for, the remaining property or to other property reinsured hereunder.
8. Cost of repairing or replacing that portion of property which is defective, including, but not limited to, defects in design, workmanship, or material.
9. With respect to reinsurance agreements 1 and 2, loss or damage, cost or expense to property caused by or resulting from the neglect of the Assured to use reasonable means to save and preserve the property at the time of and after any disaster or peril reinsured against.

- 10.** Any Use and Occupancy or Business Interruption Loss or Extra Expense in connection therewith sustained by the Assured or, with respect to reinsurance agreement 1, other consequential loss extending beyond direct physical loss or physical damage to the property insured hereunder.
- 11.** Any loss, damage, liability, cost or expense arising directly or indirectly, caused by or resulting from confiscation or expropriation by or under the order of any government or public or local authority.
- 12.** Any loss, damage, liability, cost or expense in respect of Offshore properties (including Watercraft and cargoes) of the Assured directly or indirectly caused by or resulting from capture, seizure, arrest, restraint or detainment, or the consequences thereof or of any attempt threat, or any taking of the property, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise, by or under the order of any government or public or local authority.
- 13.** Personal injury or bodily injury, including death, or loss of or loss of use of or damage to property caused by the intentional or willful introduction of waste products, other than in accordance with industry practice, into any soil or inland or tidal waters or atmosphere, unless such injury, loss or damage is caused by accident.
- 14.** With respect to reinsurance agreement 2b, personal injury or bodily injury, including death, or loss of or loss of use of or damage to property of others and loss of hole, and including all expense of drilling or excavating and redevelopment or redrilling, re-excavation, redevelopment and restoration.
- 15.** Liability for governmental fines and penalties imposed under any laws of any country or any political subdivision thereof and payable to such country or political subdivision, excluding, however, civil fines or penalties imposed to pay or reimburse for loss, damage or expense resulting from an Occurrence to the extent that the amount of the civil fine or penalty is measured by and limited to the actual loss, damage and/or expense incurred.
- 16.** With respect to reinsurance agreements 1 and 2, for losses resulting from perils covered under other insurance policies, either primary or excess, carried by the Assured; provided, however, that this exclusion shall not apply to the extent such losses, for any reason, are not covered and collectible under such other insurance policies, either primary or excess, without regard to provisions therein relating to proration of liability.
- 17.** With respect to reinsurance agreement 1, any loss, damage, liability, cost or expense sustained by the Assured in respect of non-owned property which property is of the type which if it were owned by the Assured would be excluded from this policy by any of the exclusions herein.
- 18.** Loss of, physical damage to or loss of use of property through the surrender of property away from premises of the Assured as a result of a threat:
- (a) to do bodily harm to a director, officer, employee or partner of the Assured or to any other person, except loss of property in transit in the custody of any person acting as a messenger provided that when such transit was initiated there was no knowledge by the Assured of any such threat, or
 - (b) to do physical damage, or cause physical loss or physical damage, to property of any kind or description wherever located.
- 19.** With respect to reinsurance agreement 1, loss of hole, including all expense of drilling or excavating and development or redrilling, re-excavation, redevelopment and restoration, but not excluding risk of direct physical loss or physical damage to property covered under reinsurance agreement 1.

20. Obligations resulting from the writing of insurance or reinsurance (or participation in the writing of insurance or reinsurance) unless for the benefit of the Assured or the Assured's business and the conduct thereof (other than solely for the benefit of Assured's insurance or reinsurance business).

21. With respect to reinsurance agreements 2 and 3, obligations of the Assured to insure or assume loss, damage, expense or liability of others except to the extent imposed by law or governmental regulation and except contractual obligations that are incidental to the purpose of contracts or agreements customary or necessary in the conduct of the business (other than any insurance or reinsurance business) of, or the disposition of a business entity (other than an insurance or reinsurance entity) by, the Assured.

22. With respect to reinsurance agreement 1, any loss or damage sustained by the Assured resulting directly or indirectly from one or more dishonest or fraudulent acts of an Assured, a partner therein, or an officer, employee, director, agent or representative thereof, while working or otherwise and whether acting alone or in collusion with others. This exclusion shall not apply to physical loss or physical damage to tangible property resulting directly from acts of sabotage, vandalism or other willful and malicious destruction of tangible property by an employee, agent or representative of the Assured (or a partner therein), carried out without the authorization or knowledge of the Assured (or a partner therein), and provided that the proof of the factual existence of such loss or damage is made through evidence wholly apart from an inventory computation or a profit and loss computation.

23. Any loss, damage, liability, cost or expense for which the Assured would not be legally or contractually liable or would be indemnified therefor except for the existence of this policy.

24. Any peril, loss, damage, liability, cost or expense which the Named Insured expressly requests be excluded from coverage under this policy. (The Underwriter is authorized to issue endorsements, as requested by a Named Insured, to effect or evidence any exclusion pursuant to this exclusion.)

25. With respect to reinsurance agreement 2c, removal of debris arising out of seepage, pollution or contamination, or any liability or obligation arising out of seepage, pollution or contamination, including, without limitation, the discharge, dispersal, release or escape of pollutants into or upon land or other real estate, atmosphere, any watercourse or body of water whether above or below ground or otherwise into the environment, including without limitation, any liability or alleged liability, loss, cost or expense arising out of any direction or request, whether Governmental Direction or other, to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

26. With respect to reinsurance agreement 3:

(a) Any obligation for which the Assured or any carrier as his insurer may be held liable under any workmen's or workers' compensation, unemployment compensation or disability benefits law or any similar law, or

(b) Personal injury or bodily injury to, including death of, any person to or with respect to whom or the death of whom benefits or damages are payable to the extent of any valid and collectible voluntary compensation or employer's liability insurance available to the Assured.

27. With respect to reinsurance agreement 2c, expenses on account of removal of debris from mines or other excavations excepting only expenses related to that portion of removed debris which represents debris of property covered under reinsurance agreement 1 and not otherwise excluded. In such case, the measure of recovery shall be based upon the proportion the volume of debris of property covered under reinsurance agreement 1 and not otherwise excluded bears to the total volume of recovered debris.

28. With respect to reinsurance agreement 3, any liability arising out of or resulting from waste disposal operations of the Assured; provided that this exclusion shall not apply to liability of the Assured:

(a) arising out of any waste disposal operations which are operated solely for the purpose of disposing of the Assured's own waste; or

(b) where the Assured is obligated by joint operating agreement or regulatory authority to dispose both of its own waste and that of all non-Assured(s) utilizing such waste disposal operations; or

(c) where the Assured receives no compensation (except cost reimbursement) for the use of such operations by non-Assured(s); or

(d) arising out of any commercial waste disposal site utilized by or on behalf of the Assured but not owned, leased or operated by the Assured; or

(e) arising solely out of Onshore salt water disposal operations on behalf of drilling and production activities by the petroleum industry.

29. With respect to reinsurance agreement 3, Product and Completed Operations Liability.

30. With respect to reinsurance agreement 2d:

(a) costs or expenses of completion with respect to any section of a Well that can be completed through a drill stem left therein;

(b) costs or expenses incurred to drill beyond the point reached (either vertical or horizontal) when the Well was lost, damaged or otherwise impaired;

(c) loss, damage or impairment of hole. This exclusion does not apply if other parts of the Well have been damaged;

(d) loss, damage, costs or expenses caused by or arising out of delay and/or loss of production and/or loss of reservoir or reservoir pressure of the Well;

(e) restoration and/or redrilling costs or expenses resulting solely from loss of or damage to equipment or material in the Well or the Well itself other than attributable to or in connection with the Well getting Out of Control, fire, blowout, earthquake, cratering or volcanic eruption;

(f) costs or expenses of redrilling where the Well can be recovered or restored by less costly or expensive means.

31. With respect to reinsurance agreement 2a, any Environmental Control Costs (whether voluntarily assumed or incurred or resulting from Governmental Direction or other request or direction) provided, however, that this exclusion shall not apply to Environmental Control Costs to the extent that such Environmental Control Costs are reasonable and incurred in the reasonable expectation and belief that such Environmental Control Costs both (a) are necessary to mitigate actual physical loss or physical damage, resulting from an Occurrence, to property covered under reinsurance agreement 1 and (b) will be in an amount less than the additional physical loss or physical damage to covered property which would result in the absence of the incurrence of such Environmental Control Costs.

32. With respect to reinsurance agreement 3, any contractual liability in respect of personal injury or bodily injury, including death, or loss of or loss of use of or damage to property which the Assured was not bound to assume by an agreement in writing in force at the time of the commencement of the Occurrence giving rise to such injury, loss or damage; provided, however, that this exclusion shall not apply to contractual liability in respect of injury, loss or damage if all three of the following conditions are met:

(a) such contractual liability was assumed by the Assured in connection with the disposition by the Assured of a business entity or assets; and

(b) the Assured was legally liable for such injury, loss or damage immediately prior to the disposition; and

(c) such injury, loss or damage arose from an Occurrence commencing at a time when such disposed entity was an Assured or such asset was owned by an Assured.

33. Any Electrical Transmission and Distribution System.

34. Any loss or damage whatsoever (including personal injury, bodily injury, death, loss of or damage to, or loss of use of property, whether or not damaged, or expense) to the extent that payment in respect thereof would violate economic or trade sanctions pursuant to the laws, rules, regulations, orders, decisions, directives or common positions of the European Union, the United States of America or any other governmental body or authority having jurisdiction over the Underwriter. Nor shall this policy be deemed to provide any cover or benefit to any person or entity to the extent that the provision of such cover or benefit would expose the Underwriter to any liability for violating economic or trade sanctions pursuant to the laws, rules, regulations, orders, decisions, directives or common positions of the European Union, the United States of America or any governmental body or authority having jurisdiction over the Underwriter.

35. Any loss, damage, liability, cost or expense of whatsoever nature, in respect of any properties located Offshore in the Gulf Of Mexico otherwise reinsured under this policy directly or indirectly caused by or resulting from a Designated Named Windstorm Occurrence.

CONDITIONS

A. Valuation and *Basis of Recovery*:

The quantum of a loss reinsured by this policy shall be determined as follows:

1. As respects tangible property reinsured under reinsuring agreement 1, other than inventories, materials and supplies:

(a) if the property is repaired or replaced in kind and at the original site, the basis of valuation will be the Replacement Cost,

(b) if the property is repaired other than in kind or is replaced at another site the basis of valuation will be the lesser of the Replacement Cost or the estimated Replacement Cost in kind at the original site at the time of the Occurrence,

(c) if one or more of the following applies:

(i) the Assured notifies the Underwriter in writing that the property will not be repaired or replaced;

(ii) the work of repair or replacement does not commence within twenty four (24) months of the Date of Discovery;

(iii) the work of repair or replacement is not completed within a reasonable time;

then, unless mutually agreed in writing between the Underwriter and the Assured, the basis of valuation will be Depreciated Cost.

Loss as determined under this condition shall not include any increased cost of expediting repair or replacement or Betterment.

2. As respects inventories (including crude petroleum or finished petroleum products), materials or supplies (including materials in process) reinsured under reinsurance agreement 1, including such items while in transit shall be valued at Replacement Cost of like kind and quality, at the place and at the time of loss (including all cost and duty if applicable).

3. As respects all records and documents, including but not limited to accounts and other data and manuscripts, mechanical drawings reinsured under reinsuring agreement 1, at value blank plus cost of transcribing.

4. As respects reinsurance agreement 1, shall exclude historical, rare, fine arts, artistic, aesthetic and similar non-utility values.

5. As respects reinsurance agreements 1 and 2 shall include costs and expenses incurred in safeguarding, preserving and forwarding the property, as well as costs and expenses in respect of general average, sue and labor, salvage, and expenses incurred in the removal of debris or wreck even if incurred solely as the result of Governmental Direction or other authoritative order.

6. As respects reinsurance agreement 2 (b), expenses incurred to bring a Well that is Out of Control Under Control and notwithstanding the definition of Under Control, costs and expenses incurred as required by applicable law or governmental regulation or Governmental Direction to control the Well(s). These expenses include, but are not limited to, the value of materials and supplies consumed in the operation, rental of equipment, fees of individuals, firms, or corporations specializing in firefighting and/or the control of such Well(s), cost of drilling direction relief Well(s) necessary to bring the Well(s) Under Control or to extinguish the fire (including the cost of abandonment of any such relief Well(s), provided such Wells are not used for production) and, in any instance where a replacement Well(s) is drilled, the costs of abandonment of the original Well(s). This shall further include any expenses incurred in respect of fighting a fire endangering or involving property insured hereunder.

7. As respects reinsurance agreement 3, shall (but only to the extent approved in the specific case by the Named Insured) include sum or sums for which any director, officer or employee of any Assured may be legally liable for actions within the scope of his authority for such entity.

8. As respects reinsurance agreement 3, shall include:

(a) reasonable and necessary legal expenses and costs incurred in defending and/or investigating covered claims arising from an Occurrence covered under such reinsurance agreement 3 (including premiums on bonds to release attachments and premiums on appeal bonds), and

(b) reasonable and necessary expenses incurred, liability to any governmental authority or agency or instrumentality thereof or regulatory authority for clean-up and removal

costs and expenses, or liability for costs and expenses of governmental or governmental agency or regulatory authority action, in each case to the extent reasonable and necessary to minimize or remediate, or prevent further injuries to persons or loss or damage to property (other than property insured or which could be, but for any of the exclusions contained in this policy, insured under reinsurance agreement 1) from an Occurrence that has taken place and is covered under reinsurance agreement 3, and

(c) any other liability to any governmental authority or agency or instrumentality thereof or regulatory authority resulting from an Occurrence that has taken place and is covered under such insuring agreement 3,

but shall not include costs or expenses, or liability in respect thereof, as respects work, equipment or other measures taken to prevent or minimize personal injury or bodily injury, including death, or loss of, loss of use of or damage to property of any kind or description from ongoing operations (as contrasted with past operations, whether or not at the site or facility) of the Assured.

B. Permissions:

Permission is hereby granted the Assured or any other party acting in behalf of the Assured to effect contracts or agreements customary or necessary to the conduct of the business of the Assured under which the Assured may assume liability for loss, damage, liability, cost or expense or grant releases therefrom and the rights and obligations of the Underwriter shall be governed by the terms of such contracts or agreements. This permission shall not be deemed to extend the coverage or limits of this reinsurance beyond the terms and conditions of this policy.

C. Representation:

The Named Insured or such other person or attorney as it shall designate shall represent the Assured in all matters under this policy, including the adjustment, settlement, and payment of claims.

D. Assistance and Cooperation:

The Underwriter shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Assured but the Underwriter shall have the right and shall be given the opportunity to associate with the Assured, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Underwriter, in which event the Assured and the Underwriter shall cooperate in all things in the defense of such claim, suit or proceeding.

The Assured shall furnish promptly all information reasonably requested by the Underwriter with respect to any claim made under this policy or pertaining to coverage under this policy. The Underwriter shall be permitted at all reasonable times during the policy period to inspect premises, plants, machinery, equipment, and operations of the Assured covered by this policy. In the event a claim is made under this policy, the Underwriter shall also be permitted at all reasonable times to examine the Assured's books and records which may relate to the subject of the claim. The Assured may require any of the employees, agents or independent contractors to carry out any such inspection or examination or to retain any information furnished by the Assured relative to the claim in a manner which will maintain confidential any information obtained and to agree in writing that they shall treat as confidential and not use, except for purposes of this policy, or disclose, any information obtained as a result of any such inspection or examination without the written permission of the Assured.

E. Notice of Loss:

As soon as practicable, except as provided for in reinsurance agreement 3, written or electronic mail notice of loss which is likely to involve this policy shall be given by the Assured to the Underwriter. All notices of loss to the Underwriter under any provisions of this policy shall be delivered by either (1) the postal service, (2) prepaid courier, or (3) electronic mail. Notices shall be properly addressed to the Underwriter at the applicable address as shown below. No message sent to any other address, including those for specific individuals or general information, shall constitute a valid notice of loss. Notice so given shall be deemed to be received by the Underwriter upon actual receipt. Notice received after 5 P.M. Bermuda Atlantic Time shall be deemed to be received the following business day. As soon as practicable after receipt, the Underwriter shall acknowledge all notices of loss when delivered to one of the addresses below. Notices of loss to the Underwriter are valid only if verified by a return acknowledgment by the Underwriter.

Delivery Method	Address
Postal service	Claims Department Everen Limited P.O. Box HM 1751 Hamilton HM GX Bermuda
Prepaid courier	Claims Department Everen Limited 3 Bermudiana Road Hamilton HM 08 Bermuda
Electronic mail	claims@everen.bm

F. Underwriter's Liability:

1. The Underwriter shall be liable only if and when the Ultimate Net Loss sustained by the Named Insured and covered hereunder in respect of interests described herein in any one Occurrence exceeds the amount specified as the deductible in the Policy Declaration in effect at the time of the commencement of the Occurrence. The Underwriter shall thereupon be liable for the amount by which the said Ultimate Net Loss exceeds the amount specified as the deductible in the Policy Declaration in effect at the time of the commencement of the Occurrence.
2. Irrespective of the number and timing of losses, the Underwriter shall be liable in respect of any one Occurrence only up to a limit of the amount specified as the Occurrence limit in the Policy Declaration in effect at the time of the commencement of the Occurrence.
3. The Occurrence limits applicable under this policy and any other policy or policies issued by the Underwriter having the same Named Insured and the same expiration date as this policy shall in the aggregate be the Occurrence limits referred to in Condition F.2. The deductible referred to in Condition F.1 of this policy shall be the deductible applicable to any Ultimate Net Loss covered hereunder incurred by the Assured.
4. (a) Notwithstanding Condition F.1 with respect to one or more losses from a single Occurrence (other than a Designated Named Windstorm Occurrence) arising in any manner out of the Assured's insured interest in any joint venture(s), co-venture(s), joint lease(s), joint operating agreement(s), partnership(s) or affiliated company or companies not otherwise insured

as an entire entity or entities under this policy, the Assured's deductible shall be subject to adjustment as follows:

(i) when only one loss from a single Occurrence is involved, the Assured's deductible shall be adjusted to an amount (no less than one million dollars (\$1,000,000)) computed by multiplying the deductible otherwise applicable under this policy by the Assured's percentage interest in such loss;

(ii) when the Assured's insured interest in more than one loss from a single Occurrence is involved, the Assured's deductible shall be adjusted to an amount (no less than one million dollars (\$1,000,000)) computed by multiplying the deductible otherwise applicable under the policy by the percentage derived by dividing the sum of the Assured's interests in all such losses by the sum of all such losses (subject to a maximum of one hundred percent (100%)).

(b) Notwithstanding Conditions F.1 and F.4a when a single Occurrence causes a loss in which the Assured's interest is one hundred percent (100%) and also a loss or losses in which the Assured's interest is less than one hundred percent (100%), the full amount of the Assured's deductible shall be first deducted from the loss in which the Assured has a one hundred percent (100%) interest and the remainder of such deductible, if any, shall be adjusted in accordance with Condition F.4a(ii) and deducted from the total of the losses in which the Assured has less than a one hundred percent (100%) interest.

(c) Notwithstanding Conditions F.1, F.4a and F.4b, when an Assured's percentage interest in a joint venture fluctuates, as respects a loss from a single Occurrence, the Assured's deductible shall be adjusted to an amount (no less than one million dollars (\$1,000,000)) computed by multiplying the deductible otherwise applicable under the policy by the percentage derived by dividing the Assured's allocable share of the loss by the total amount of the loss.

5. Where one Occurrence causing loss to the Assured also causes loss to one or more other Assureds of the Underwriter, or Assured(s) of Named Insured(s) holding reinsurance policy(ies) issued by the Underwriter, the cumulative liability of the Underwriter as respects the Assured and all such Assured(s) and Named Insured(s) combined shall never exceed an amount (the "**Aggregation Limit**") determined by and at the discretion of the Board of Directors from time to time.¹ Such Aggregation Limit may be set by the Board of Directors at different amounts in respect of any Designated Named Windstorm Occurrence and any other Occurrence. The determination whether or not loss to the Assured, other Assureds and/or Named Insureds arises out of one Occurrence shall be made by and at the discretion of the Board of Directors. When the cumulative liability of the Underwriter exceeds the Aggregation Limit, the amount recoverable shall be prorated in accordance with a formula² established by the Underwriter.

¹ The Board of Directors resolved on July 20, 2011 that effective January 1, 2012 the Aggregation Limit in respect of any Designated Named Windstorm Occurrence shall be seven hundred fifty million dollars (\$750,000,000) and further resolved on July 22, 2021 that effective January 1, 2022 the Aggregation Limit for any other Occurrence shall be one billion three hundred fifty million dollars (\$1,350,000,000).

² The current formula established by the Underwriter is:

The Assured shall recover the product of (a) the Aggregation Limit and (b) the Assured's Unrestricted Recovery divided by the sum of the Unrestricted Recoveries of all Assureds.

"Unrestricted Recovery" means the liability of the Underwriter to the Assured or Named Insured, as the case may be, determined in accordance with all the terms and conditions of the policy, except Condition F.5.

As respects any Designated Named Windstorm Occurrence only the portion of Named Windstorm Losses exclusive of any amount within any Quota Share Retention or subject to Retrospective Premium shall be taken into account as respects the Aggregation Limit.

6. There shall be an annual aggregate limit for the Named Insured as respects all Designated Named Windstorm Occurrences taking place during any calendar year equal to the Designated Named Windstorm Annual Aggregate Limit.

G. Other Insurance:

This reinsurance shall be in excess of any other valid and collectible insurance or reinsurance and shall not apply until all such other insurance or reinsurance has been exhausted unless and until the Named Insured specifies and submits to the Underwriter, in writing, those insurance or reinsurance policy(ies) or specified coverage(s) or amount(s) of coverage(s) thereunder which shall be in excess of this reinsurance and the Underwriter has evidenced the receipt thereof by the issuance of Endorsement 5 to the Named Insured. Such other insurance or reinsurance shall apply to satisfy the deductible stated in Condition F, provided that this policy shall in no way be subject to, or affected by, the terms, conditions or limitations of such other insurance or reinsurance, or the coverage, rights and/or obligations of the parties under such other insurance or reinsurance, nor contribute with such other insurance or reinsurance. Further provided that, notwithstanding anything set forth above, or any other provision of this policy, this reinsurance shall always and in all respects be excess of any insurance or reinsurance or coverage with a Protection and Indemnity Club. As respects coverage under reinsurance agreement 3, notwithstanding anything set forth above, or any other provision of this policy, this reinsurance shall always and in all respects be in excess of all compensation available, or which would, but for the existence of this policy, be available, through the International Oil Pollution Compensation Fund, as amended, supplemented or extended, or any future conventions or funds (as amended, supplemented or extended) of a similar nature or purpose

Any insurance or reinsurance coverage furnished by an Assured's wholly-owned insurance Subsidiary shall not be considered other insurance or reinsurance and shall not reduce the amount payable under this policy. However, insurance or reinsurance other than this policy purchased by the Named Insured or by its Assured's wholly-owned insurance Subsidiary shall be considered other insurance or reinsurance and shall reduce the amount payable under this policy.

H. Subrogation:

In case of any payment hereunder, the Underwriter will act in concert with all other interests (including the Named Insured and its Assured) concerned, in the exercise of rights of recovery (with expenses thereof, including attorneys' fees, being shared by the Underwriter in the ratio that their portion of the Ultimate Net Loss bears to the total Ultimate Net Loss). Any net recovery, i.e., gross recovery less expense incurred in effecting such recovery (excluding only salaries of employees of the Named Insured or its Assured and of the Underwriter) shall be apportioned among the interests concerned (including the Named Insured and its Assured) in the ratio that their portion of the Ultimate Net Loss bears to the total Ultimate Net Loss, provided that there shall not be apportioned to the Underwriter an amount larger than the amount sufficient to place the Underwriter in the same position as if no loss with respect thereto had been paid by, the Underwriter.

The Underwriter shall be subrogated to the extent of any payment made, to any right of recovery of the Named Insured or its Assured against any third person, corporation, Watercraft or interest arising out of or connected with the loss or damage with respect to which such payment is made except that the Underwriter hereby waives all right of subrogation against:

- (a) any Watercraft owned or bareboat chartered by the Assured or by any Subsidiary or Affiliate of the Assured, but then only as respects their activities on behalf of the Assured's operations covered hereunder;
- (b) any Subsidiary or Affiliate of the Assured or its Subsidiaries;
- (c) any person or persons, corporation or company who by contract, whether oral or written, joins the Assured as a co-participant in any of the Assured's operations insured hereunder and against any Watercraft owned or bareboat chartered by such party, but then only as respects their activities in behalf of the operations covered hereunder in which such party has joined the Assured;
- (d) any party to whom the Assured has given a release of liability prior to any loss or damage, or any party who can make a direct charge back to the Assured of all or any portion of any amount recovered by the Underwriter but only to the extent of such claim;
- (e) the directors, officers and employees of any entity in sections (a) through (d) above.

I. Submission of Claim:

As respects loss under reinsurance agreements 1 and/or 2, the Assured as a condition precedent to coverage hereunder shall submit to the Underwriter a claim for indemnification in the form of a proof of loss in respect of any amount of Ultimate Net Loss in excess of the amount borne by the Assured and for which the Underwriter may be liable under the policy within a reasonable period after the Assured shall have paid (or, if the property is not to be repaired or replaced, sustained), such amount. If any subsequent payments shall be made by the Assured or, if the property is not to be repaired or replaced, sustained, with respect to matters covered by reinsurance agreements 1 and/or 2 as respects the same Occurrence, additional claims shall be made similarly from time to time.

As respects loss under reinsurance agreement 3, the Assured as a condition precedent to coverage hereunder shall submit to the Underwriter a claim for indemnification in the form of a proof of loss in respect of any amounts of Ultimate Net Loss in excess of the amount borne by the Assured and for which the Underwriter may be liable under the policy within twelve (12) months after the Assured shall have paid such amount (irrespective of any rights the Assured may have regarding contribution, indemnification, other insurance or otherwise which may reduce the amount of such Ultimate Net Loss). Liability under reinsurance agreement 3 shall not attach unless and until the Assured's liability covered hereunder shall have been fixed and rendered certain either by final judgment against the Assured or by settlement with prior approval in writing by the Underwriter. If any subsequent payments shall be made by the Assured with respect to the same Occurrence, additional claims shall be made similarly, and within twelve (12) months of such payment.

The Underwriter shall indemnify the Assured upon adjustment and acceptance by Underwriter of a final proof of loss as to the amount in question, subject to such progress payments as the Underwriter shall determine to make upon terms and conditions satisfactory to Underwriter.

For the avoidance of doubt, with respect to claims pursuant to reinsurance agreement 2a, 2b, 2c, 2d or 3, the Underwriter shall not be obligated to indemnify the Assured in respect of any amount until the Assured shall have paid such amount.

With respect to claims under reinsurance agreement 1:

(a) where the property is to be repaired or replaced, the Underwriter shall not be obligated to indemnify the Assured for any amount prior to the time that the Assured shall have paid such amount, to the extent covered hereunder, to effect such repair or replacement, and

(b) where the property is not to be repaired nor replaced, the Underwriter shall not be obligated to indemnify the Assured in respect of the loss sustained prior to the time that the Assured has submitted a written certification by a responsible official of the Assured, in form and substance satisfactory to Underwriter, that there will be no repair or replacement of the property in question as contemplated by Condition A.1; provided, however, that where the property in question consists of inventories, materials, supplies, cash and/or cash equivalents, such property shall be deemed to have been replaced as of the time of loss thereof.

J. Bankruptcy and Insolvency:

In the event of the bankruptcy or insolvency of the Named Insured, its Assured or any entity comprising either of them, the Underwriter shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

K. Currency:

The premium and losses under this policy are payable in United States currency, and wherever the word “**dollars**” or the symbol “**\$**” appears herein they are deemed to mean United States Dollars. Where any loss is denominated in other than United States Dollars, the date of conversion of such loss to United States currency shall be:

(a) For losses covered under reinsurance agreements 1 and 2, the date when the proof of loss with respect thereto, acceptable to the Underwriter and to the Named Insured, is finalized by the Underwriter for the signature of the Named Insured.

(b) For losses covered under reinsurance agreement 3, the date of the judgment or the date consent to settle is granted by the Underwriter, whichever is applicable.

The Underwriter may use any generally recognized source, including, without limitation, any widely distributed financial newspaper, for currency conversion rates selected by it in its sole discretion.

L. Automatic Renewal, Cancellation and Non-Renewal:

An expiring policy will be automatically renewed for a full calendar year unless notice of non-renewal is received three (3) calendar months or more prior to the policy expiration date.

This policy may be cancelled by the Underwriter, and coverage under this policy and obligations of the Underwriter under this policy are subject to termination in accordance with the Shareholders' Agreement, as amended.

The Named Insured may elect not to renew this policy in accordance with the Shareholders' Agreement as amended.

M. Limits, Sublimits and Deductibles:

The limits and deductibles applicable to all policies of the Named Insured with the Underwriter shall be set forth on the Policy Declaration.

Except in respect of a Designated Named Windstorm Occurrence, where different deductibles apply to different elements of Ultimate Net Loss arising out of one occurrence, then any Ultimate Net Loss which erodes one deductible also shall erode an equal or higher deductible applicable to other Ultimate Net Loss but shall not erode a lower deductible applicable to other Ultimate Net Loss; in no event shall the aggregate of the deductibles applicable to any given occurrence exceed the largest deductible for any Ultimate Net Loss implicated by such occurrence. With respect to a Designated Named

Windstorm Occurrence, the deductible(s) with respect to any Offshore Geographic Region(s) shall apply separately from and cumulatively with the deductible(s) with respect to any Onshore Geographic Region(s) such that Ultimate Net Loss which erodes the former shall not erode the latter and vice versa; provided, however, as between and among multiple Offshore Geographic Regions, and/or, separately, as between and among multiple Onshore Geographic Regions, any Ultimate Net Loss arising out of an occurrence which erodes one deductible also shall erode an equal or higher deductible applicable to other Ultimate Net Loss arising out of the same occurrence but shall not erode a lower deductible applicable to other Ultimate Net Loss; in no event shall the aggregate of the deductibles applicable to any such occurrence exceed the largest deductible for any Ultimate Net Loss implicated by such occurrence separately for Offshore Geographic Regions and Onshore Geographic Regions.

As respects reinsurance agreements 1 and 2, for all non-owned property insured by the Underwriter but which is not included in the Assured's Unmodified Gross Assets and which is not used or intended for use in the operations of the Assured, there shall be a sublimit per Occurrence in the amount of fifty million dollars (\$50,000,000), which shall be included within, and shall not increase, the reinsurance limit per Occurrence otherwise applicable in respect of such Occurrence as respects such non-owned property and other property collectively.

N. Premium:

In consideration of all the provisions of this policy, the Annual Premium under all policies of the Named Insured with the Underwriter shall be determined in accordance with the Rating & Premium Plan.

O. Territory:

Worldwide.

P. Amendment of Policy In Accordance With Shareholders' Agreement:

This policy is in all respects subject to the Shareholders' Agreement and the Exhibits thereto; and this policy and all provisions thereof are subject to amendment, revision and modification, in any and all respects, and without the consent of or notice to any Assured or any other person, in accordance with such Shareholders' Agreement; and any such amendment, revision or modification shall be immediately effective and applicable to this policy whether or not noted on this policy by way of endorsement or otherwise. It is not the practice of the Underwriter to replace policies to reflect such amendments, revisions or modifications, but copies of the current form of policy can be obtained from the Underwriter upon request.

Q. Abandonment:

There shall be no abandonment to the Named Insured or the Underwriter of any property without the Underwriter's acceptance in writing.

R. Arbitration:

The parties shall endeavor to resolve amicably by mediation any dispute, controversy or claim arising out of or relating to this policy including any question regarding its existence, validity, cancellation or termination.

If a dispute, controversy or claim is not settled within forty five (45) calendar days after a party sends a written request for mediation to the other party, such dispute, controversy or claim shall be finally resolved by arbitration. The place of arbitration shall be in London, England. The language of arbitration shall be English.

The arbitration shall be commenced by a request for arbitration by the claimant, delivered to the respondent. The request for arbitration shall set out the nature of the claim(s) and the relief requested.

The arbitral tribunal shall consist of three arbitrators, one selected by the claimant in the request for arbitration, the second selected by the respondent within thirty (30) calendar days of receipt of the request for arbitration, and the third, who shall act as presiding arbitrator, selected jointly by the claimant and the respondent within thirty (30) calendar days of the selection of the second arbitrator. If any arbitrators are not selected within these time periods, the London Court of International Arbitration ("LCIA") shall, upon request of any party, make the selection(s).

If a vacancy arises, the vacancy shall be filled by the method by which the arbitrator was originally appointed, provided, however, that if a vacancy arises during or after the hearing on the merits, the remaining two arbitrators may proceed with the arbitration and render an award.

The arbitrators shall be independent and impartial. Any challenge of an arbitrator shall be decided by the LCIA.

The arbitral tribunal shall render its award ninety (90) calendar days following the closure of the case. The award shall be final and binding on the parties thereto. The parties waive any right to appeal and/or seek collateral review of the award of the arbitral tribunal by, any court or other body to the fullest extent permitted by applicable law, including, without limitation, application or appeal under Sections 45 and 69 of the English Arbitration Act of 1996, as amended.

The provisions of this Condition R shall bind all parties seeking to assert rights under or claim rights or benefits related to this policy, including, without limitation, any Assured, any claimant against any Assured and any other insurer of any Assured.

The arbitral tribunal shall award to the prevailing party, as the arbitral tribunal may determine in its discretion, the reasonable costs and expenses, including counsel's fees, involved in preparing and presenting its case. The Underwriter and the Assured agree that in the event that claims for indemnity or contribution are asserted in any action or proceeding against the Underwriter by any of the Assured's other insurers in any jurisdiction or forum other than that set forth in this Condition R, the Assured will in good faith take all reasonable steps requested by the Underwriter to assist the Underwriter in obtaining a dismissal of these claims (other than on the merits) and will undertake to the court or other tribunal to reduce any judgment or award against such other insurers to the extent that the court or tribunal determines that the Underwriter would have been liable to such insurers for indemnity or contribution pursuant to this policy. The Assured shall be entitled to assert claims against the Underwriter for coverage under this policy, including, without limitation, for amounts by which the Assured reduced its judgment against such other insurers in respect of such claims for indemnity or contribution, in an arbitration between the Underwriter and the Assured pursuant to this Condition R, which arbitration may take place before, concurrently with and/or after the action or proceeding involving such other insurers; provided, however, that the Underwriter in such arbitration in respect of such reduction of any judgment shall be entitled to raise any defenses under this policy and any other defenses (other than jurisdictional defenses) as it would have been entitled to raise in the action or proceeding with such insurers (and no determination in any such action or proceeding involving such other insurers shall have collateral estoppel, *res judicata* or other issue preclusion or estoppel effect against the Underwriter in such arbitration, irrespective of whether or not the Underwriter remained a party to such action or proceeding).

S. Choice of Law:

This policy shall be interpreted and construed under the internal laws of the State of New York, except (a) such interpretation and construction shall not apply as to bar the payment of punitive damages under reinsurance agreement 3 of this policy, (b) insofar as such laws pertain to regulation by the Insurance Department of the State of New York of insurers doing insurance business or issuance or delivery of policies of insurance within the State of New York, and (c) insofar as such laws are inconsistent

with any express provision of this policy, the Shareholders' Agreement or Bye-Laws or any Exhibit thereto, including, without limitation, any provision relating to cancellation or non-renewal of this policy, the effects thereof or the obligations arising thereupon provided, however, that the provisions, stipulations, exclusions and conditions of this policy are to be construed in an evenhanded fashion as between the Named Insured and the Underwriter; without limitation, where the language of this policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions (without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the Named Insured or the Underwriter).

T. Dates & Times:

All dates and times, unless explicitly stated otherwise, shall use the time scale of Eastern Standard Time. A date shall start at 00:00:00 hours (midnight) and end at 23:59:59 hours. The time portion of a date after 23:59:59 hours but before 00:00:00 hours of the following date shall be deemed to be 23:59:59 hours.

POLICY DEFINITIONS

The definitions of the terms defined in the Shareholders' Agreement and exhibits thereto are incorporated by reference into this policy.

“Act of Piracy” means any illegal act of violence or detention, or any act of depredation, committed for private ends by the crew or passengers of a private ship or a private aircraft, and directed against a ship, aircraft, property or against persons or property on board such a ship, aircraft or property, in a place outside the jurisdiction of any sovereign state.

“Act of Terrorism” means use of force or violence by any person(s), whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious, ideological or other similar purposes, and whether or not the loss or damage resulting therefrom is accidental or intentional. Such acts shall include but not be limited to hijacking, sabotage or bombings. An Act of Terrorism includes an act of any person(s) who are agents of a government (*de facto* or *de jure*) and who are acting secretly and not in connection with the operation of regular military or naval armed forces in the country where the Assured's property is located provided that the acts of such person(s) shall not include the acts of a person or persons acting on behalf of a government, governmental authority, state or state-like entity whether or not recognized internationally, or power (usurped or otherwise) which exercises *de facto* control over that part of the land area of the country in which the described property is situated.

“Activation” means (1) as respects a Hot Zone of a Nuclear Facility that contains a Nuclear Reactor the date, after commissioning or Deactivation, on which nuclear fuel and/or Nuclear Material is first inserted into the core of such Nuclear Reactor, or (2) as respects a Hot Zone of a Nuclear Facility that does not contain a Nuclear Reactor the date, after commissioning or Deactivation, on which nuclear fuel, Spent Fuel, Waste, and/or Nuclear Material is first present in such Hot Zone.

“Affiliate” means any corporation, partnership, association, joint stock company, trust or other legal entity, now or hereafter constituted, with respect to which the stock, voting power or other interest entitled to vote or otherwise control some portion fifty percent (50%) or less of the votes cast for the election of directors or appointment or selection of other management is owned or controlled, directly or indirectly, by the Named Insured.

“Atlantic Basin” means the North Atlantic Ocean, Caribbean Sea and the Gulf of Mexico bounded to the east by longitude twenty (20) degrees west, to the south by latitude ten (10) degrees north, and to the north by latitude forty five (45) degrees north.¹

“Betterment” means a repair or a replacement to property that results in a condition superior to or more extensive than its form and condition immediately prior to the loss. Betterment shall not mean the additional costs of repair or replacement of property that is required by applicable governmental law or regulation as included within Replacement Cost.

“Business Interruption Loss” means reduction in gross or net earnings resulting from interruption of or interference with the Assured’s business, including loss of production income and loss of throughput revenue.

“Byproduct Material” shall have the meaning given in the United States Atomic Energy Act of 1954 as amended.

“Consolidated” means those Subsidiaries and Affiliates whose accounts are consolidated in the financial statements of the Named Insured in accordance with generally accepted accounting principles in the United States of America or the International Financial Accounting Reporting standards. For a Named Insured whose Subsidiaries and Affiliates are not consolidated in accordance with either generally accepted accounting principles in the United States of America or the International Financial Accounting Reporting standards, the Underwriter and the Named Insured shall agree on a method of financial

¹ The map presented below is for illustrative purposes only, the definition of Atlantic Basin is controlling.



presentation which shall as nearly as practicable in the discretion of the Underwriter provide for inclusion of Subsidiaries and Affiliates in financial reports to the Underwriter in a manner substantially consistent with that utilized by other named insureds of the Underwriter. In such event the term Consolidated as referring to Subsidiaries and Affiliates shall mean those Subsidiaries and Affiliates whose accounts are consolidated in the financial reports prepared for the Underwriter in the agreed upon format.

“Coordinated Universal Time (UTC)” means the international time scale that forms the basis for the coordinated dissemination of standard frequencies and time signals as realized by the Bureau International des Poids et Mesures (BIPM) and its successors. 00:00:00 UTC coincides with midnight at the zero meridian in Greenwich, England.

“Date of Discovery” means the point in time when the loss or damage which has been caused by an Occurrence is discovered. For obvious or visible damage, this is the first point in time that any damage, however slight or severe, comes to the attention of any supervisory employee of an Assured. For latent damage, it is the first point in time that testing reveals any damage, however, slight or severe.

“Deactivation” as respects a Hot Zone of a Nuclear Facility means the process of placing such Hot Zone in a stable and known condition to ensure adequate protection of the worker, public health and safety, and the environment prior to major equipment replacement and/or upgrade. Deactivation shall include (1) as respects a Hot Zone of a Nuclear Facility that contains a Nuclear Reactor the removal of all nuclear fuel, Spent Fuel, and/or Nuclear Material from the core of such Nuclear Reactor, and/or (2) the removal of all nuclear fuel, Spent Fuel, Waste, and/or Nuclear Material from such Hot Zone. Deactivation does not include the removal of contamination remaining in the fixed structures and equipment after Deactivation.

“Depreciated Cost” means the costs to repair or replace the property damaged or destroyed within a reasonable time after the loss or damage to form and condition equal but not superior to or more extensive than its form and condition immediately prior to the loss (with a deduction for depreciation and technological, functional and economic obsolescence).

“Designated Named Windstorm” means a Named Windstorm whose Storm Center originates in or migrates into the Atlantic Basin or a Designated Named Windstorm Geographic Region.

“Designated Named Windstorm Annual Aggregate Limit” means an amount equal to the product of the Designated Named Windstorm Occurrence insurance limit per occurrence for the Named Insured and a factor¹ to be determined by the Board of Directors prior to the end of any calendar year as respects the following calendar year(s).

“Designated Named Windstorm Occurrence” means an Occurrence attributable directly or indirectly to a Designated Named Windstorm (and is applicable for all losses, damages, and sums covered under this Policy arising from such Designated Named Windstorm irrespective of the period or area over which such losses occur), whether arising out of measures undertaken in preparation for possible impact of a specific storm or to wind, rain, flood, storm surge or other physical phenomena, and including, without limitation, any ensuing fire, explosion or collapse which is a consequence of such preparatory steps or physical impact. Any such Designated Named Windstorm Occurrence shall be deemed to commence at the time the Responsible Meteorological Service first advises meteorologists in the private sector and/or makes a public announcement of the naming of the pertinent weather system.

“Eastern Standard Time (EST)”, means the time scale that is UTC minus five (5) hours, with no adjustments for daylight savings time.

¹ On December 10, 2009 the Board of Directors resolved that effective January 1, 2010 the factor used to determine the Designated Named Windstorm Annual Aggregate Limit shall be two (2).

“Electrical Facility” means any electrical power generating plant, switchyard, transformer station or transformer substation (but not including any line transformer or other similar equipment used in transmission or distribution of electricity), provided it is otherwise insured under this policy.

“Electrical Transmission and Distribution System” means all above ground electrical transmission and/or distribution lines, towers, poles, fixtures, overhead conductors and devices, line transformers, service meters, street lighting, signal systems or any other above ground structure or equipment used to transmit or distribute electricity from or through any Electrical Facility, except that any of the foregoing which is within one thousand (1,000) meters of an Electrical Facility is not considered part of an Electrical Transmission and Distribution System.

“Environmental Control Costs” means any and all expenses and costs incurred which relate to or arise from the cleanup, containment, remediation, removal or control of seepage, pollution or contamination, or the results thereof. For purposes of this definition, seepage, pollution or contamination includes, without limitation, the discharge, dispersal, release or escape of pollutants into or upon land or other real estate, atmosphere, any watercourse or body of water whether above or below ground or otherwise into the environment.

“Extra Expense” means expense or cost incurred (a) to continue the conduct of the Assured’s business, (b) for temporary use of property or facilities of the Assured or others, (c) to expedite repair or replacement of property or facilities subject to physical loss or physical damage, or (d) otherwise to reduce Business Interruption Loss.

“FLNG” means a floating liquefied natural gas unit employing technologies designed to enable the storage of offshore natural gas resources.

“FPSO” means a floating production, storage and offloading system used by the offshore oil and gas industry for the production or processing of hydrocarbons and for storage of hydrocarbons. FSOs and FLNGs are included within this definition. The determination as to whether a particular property constitutes an FPSO shall be at the sole determination of the Underwriter.

“FSO” means a floating storage and offloading contrivance or tank system used by the offshore oil and gas industry and designed to take all of the oil or gas produced from nearby platforms or templates, process it, and store it until the oil or gas can be offloaded onto a tanker or transported through a pipeline.

“Governmental Direction” means any order, mandate or instruction given, provided or issued by governmental authority or agency or instrumentality thereof or regulatory authority relating thereto.

“Gulf Of Mexico” means the portion of the Atlantic Basin bounded on the northeast, north and northwest by the states of Texas, Louisiana, Mississippi, Alabama, and Florida, on the southwest and south by Mexico, on the southeast by Cuba and between Mexico and Cuba by a line drawn between Chetumal, Quintana Roo, Mexico and La Jagua, Cuba and between Cuba and Florida by a line drawn between Santa Clara, Cuba and Miami, Florida.¹

“Hazardous Properties” means radioactive, toxic or explosive properties.

“Hot Zone” means the following buildings together with their contents:

- (1) reactor containment building,
- (2) reactor auxiliary building,
- (3) buildings for the storage of new and irradiated fuel,
- (4) decontamination building,
- (5) active workshop, or
- (6) buildings for the treatment and storage of radioactive Waste.

“Named Insured” means the entity named in the Policy Declaration.

“Named Windstorm” means a hurricane, typhoon, tropical cyclone, cyclonic storm or any other windstorm which is assigned a name by the Responsible Meteorological Service.

¹ The map presented below is for illustrative purposes only, the definition of Gulf Of Mexico is controlling.



“Nuclear Facility” means, except as otherwise agreed to by the Underwriter, any of the following, provided that Nuclear Material is contained therein or being used therewith or Nuclear Material is present at the site where the same is located:

- (1) any Nuclear Reactor,
- (2) any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing Spent Fuel, or (c) handling, processing or packaging Waste,
- (3) any equipment or device used for the processing, fabricating or alloying of Special Nuclear Material if at any time the total amount of such material in the custody of the Assured at the premises where such equipment or device is located consists of or contains more than twenty five (25) grams of plutonium or uranium 233 or any combination thereof, or more than two hundred fifty (250) grams of uranium 235,

“Nuclear Material” means Source Material, Special Nuclear Material, Byproduct Material or any other radioactive substance.

“Nuclear Plant” means one or more Nuclear Facilities located at the same site.

“Nuclear Reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Occurrence” means an event or a continuous or repeated exposure to conditions which commence during the term of this policy and cause personal injury or bodily injury, including death, or loss of use of or damage to property, or a condition covered by reinsurance agreement 2b, 2c or 2d, that is neither expected nor intended by the Assured, and the Coverage Options applicable to such Occurrence shall be the Coverage Options in effect at the time of commencement of such event or continuous or repeated exposure to conditions. With respect to any event or exposure to conditions relating to or arising out of any interest in any asset or entity, or relating to or arising out of such asset or entity, acquired by an Assured, the term of this policy and coverage under this policy shall commence no earlier than the time of such acquisition (except that this shall not affect coverage otherwise in effect pursuant to agreement in writing entered into prior to loss and not entered into in connection with such acquisition).

For the purposes of this policy, where a series of and/or several losses occur which are attributable directly or indirectly to one accident, event, or cause, all such losses shall be added together and the total amount of such losses shall be treated as one Occurrence irrespective of the period or area over which the losses occur. So far as loss involving in whole or in part the perils of nature, including but not limited to tornado, windstorm, cyclone, hurricane or hail, is concerned, the words “one accident, event, or cause” shall mean one single atmospheric disturbance as designated by the Responsible Meteorological Service. In the event such authority does not make such a designation, the Underwriter shall select another appropriate means of making such designation. So far as loss involving in whole or in part the peril of earthquake is concerned, the words “one accident, event or cause” shall mean one or more earthquake shocks occurring within any period of seventy two (72) hours arising out of any one fault or interconnected series of faults or otherwise causally interrelated.

“Out of Control” with regard to a Well means when there is a flow from the Well which is uncontrollable.

“Pipeline” means a long pipe or series of connected pipes used to convey fluids.

“Product and Completed Operations Liability” means liability:

(1) for personal injury or bodily injury, including death, or loss of use of or damage to, property of any kind or description arising out of the end-use of goods or products manufactured, sold, tested, handled, labelled or distributed by the Assured or others trading under its name if such use occurs after possession of such goods or products has been relinquished to others by the Assured or by others trading under its name and if such use occurs away from premises owned, rented or controlled by the Assured; provided such goods or products shall be deemed to include any container thereof other than a vehicle, Watercraft or aircraft; or

(2) arising out of operations of the Assured, if the Occurrence commences after such operations have been completed or abandoned and occurs away from premises owned, rented or controlled by the Assured; provided operations shall not be deemed incomplete because improperly or defectively performed or because further operations may be required pursuant to an agreement; provided further the following shall not be deemed to be “operations” within the meaning of this paragraph:

- (a) pick-up or delivery, except from or onto a railroad car;
 - (b) the maintenance of vehicles owned or used by or on behalf of the Assured;
- or
- (c) the existence of tools, uninstalled equipment and abandoned or unused materials.

“Replacement Cost” means the costs to repair or replace the property lost or damaged to form and condition equal to but not superior to or more extensive than its form and condition immediately prior to the loss (without deduction for depreciation or technological, functional or economic obsolescence); provided, however, that the cost to repair property lost or damaged in part only shall not exceed the cost to replace the property in its entirety. Replacement Cost will also include the additional costs to repair or replace the property lost or damaged to comply with applicable governmental law or regulation and such additional costs shall not be deemed to constitute Betterment; provided, however, that any recovery pursuant to the provisions of this sentence shall not exceed, with respect to any Occurrence, ten percent (10%) of recovery from the Underwriter absent this sentence. The cost to repair or replace the property shall include the actual costs for the Assured’s own internal project management, or the portion of such costs incurred by the operator where the Assured is a joint venture partner, such allowance being in addition to any other project management costs of outside project managers, contractors, vendors, consultants, and the like.

“Responsible Meteorological Service” means, as respects the Atlantic Basin, the National Oceanic & Atmospheric Administration within the United States Department of Commerce or any successor or comparable agency or, as respects the rest of the world, the appropriate Regional Specialized Meteorological Center, Tropical Cyclone Warning Center or other responsible meteorological service or center.

“Right of Way” means the legal right, acquired by grant, to pass along a specific route through grounds or property belonging to another.

“Secured Following Launch” means when the Watercraft is secured to the next station for completion or construction, whether it be in or on a dry dock or afloat or at a finishing dock or otherwise.

“Source Material” shall have the meaning given in the United States Atomic Energy Act of 1954 as amended.

“Special Nuclear Material” shall have the meaning given in the United States Atomic Energy Act of 1954 as amended.

“Spent Fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a Nuclear Reactor.

“Storm Center” means (1) for any cyclonic Named Windstorm the point of lowest barometric pressure at the surface within the Named Windstorm’s central area, or (2) for all other Named Windstorms the center of the area covered by the Named Windstorm.

“Subsidiary” means any corporation, partnership, association, joint stock company, trust or other legal entity, now or hereafter constituted, with respect to which the stock, voting power or other interest entitled to vote or otherwise control more than fifty percent (50%) of the votes cast for the election of directors or appointment or selection of management is owned or controlled, directly or indirectly, by the Named Insured.

“Sue and Labor Expense” means expenses reasonably and necessarily incurred by the Assured for the preservation and protection of property covered under this policy.

“Ultimate Net Loss” means the actual loss sustained by the Assured arising out of or resulting from any one Occurrence

“Under Control” with regard to a Well, means either (1) when the Well can be re-entered for salvage, fishing, whip-stocking or cleaning operations or to resume drilling, or (2) when the Well, including a relief Well if any, can be plugged or abandoned, whichever occurs earlier. A Well shall not be considered as under control merely because of temporary cessation of flow due to a bridging over or other cause unless further control efforts are unnecessary.

“Use or Occupancy Loss” means the lost value of use or occupancy of any property or facilities owned, leased or otherwise utilized or occupied by the Assured during the period of repair or replacement of such property or facilities.

“Waste” as used in definitions applicable to exclusion 3 of this policy, means any waste material (1) containing Byproduct Material and (2) resulting from the operation by any person or organization of any Nuclear Facility included within the definition of Nuclear Facility under paragraph (1) or (2).

“Watercraft” means any craft or contrivance used or capable of being used to provide transport by water, including but not limited to tank vessels, towboats and barges, vessels used in the construction of pipelines, storage vessels, drill ships, and offshore drilling barges of every kind and description. For the avoidance of doubt, the term “vessel” is included within the definition of Watercraft. An FPSO shall not be considered a Watercraft.

“Watercraft Equipment” means all items and material used to support the operation, functioning and maintenance of the Watercraft and shall include hulls, launches, lifeboats, rafts, furniture, bunkers, stores, supplies, tackle, fittings, equipment, machinery, apparatus (inclusive, in the case of a drill ship or drill barge, of drilling rigs and equipment, derricks, drill stems, lifting jacks, casing and tubing while aboard such ship or barge and drill stem in the Well being drilled), boilers, refrigerating machinery, insulation, motor generators and other electrical machinery.

“Well” means any shaft, pit or hole normal or incidental to energy exploration, production or storage of oil, gas, other fossil fuels or hydrocarbon products, geothermal energy, or water or brine, and includes a salt dome, excavation or other subterranean area used for storage purposes.

“Work Vessel” means any Watercraft other than Watercraft designed and constructed for the transportation of cargo or passengers , including but not limited to Watercraft used in oil, gas and other mineral exploration, drilling and producing operations and storage operations in connection therewith (inclusive, among others, of drill ships and offshore drilling barges of every kind and description and Watercraft used in the construction or maintenance of pipelines, platforms or other facilities).

In Witness Whereof, these presents have been executed by the undersigned at Hamilton, Bermuda, this..... day of..... , 20.....

EVEREN LIMITED

By _____
Signature and Title of Person Signing

Applicability of Exclusions Chart

Exclusions	Reinsurance Agreements					
	1	2a	2b	2c	2d	3
1a	•	•		•		
1b						•
2	•	•	•	•	•	•
3a	•	•	•	•	•	
3b						•
4	•	•	•	•	•	•
5	•	•	•	•	•	
6	•	•	•	•	•	
7	•					
8	•	•	•	•	•	•
9	•	•	•	•	•	
10	•	•	•	•	•	•
11	•	•	•	•	•	•
12	•	•	•	•	•	•
13	•	•	•	•	•	•
14			•			
15	•	•	•	•	•	•
16	•	•	•	•	•	
17	•					
18	•	•	•	•	•	•
19	•					
20	•	•	•	•	•	•
21		•	•	•	•	•
22	•					
23	•	•	•	•	•	•
24	•	•	•	•	•	•
25				•		
26						•
27				•		
28						•
29						•
30					•	
31		•				
32						•
33	•	•	•	•	•	•
34	•	•	•	•	•	•
35	•	•	•	•	•	•

This chart is provided as a reference aid only and has not been approved by the Shareholders. The language of the policies shall be controlling in all cases.

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Everen Limited Rating & Premium Plan

I. *DETERMINATION OF PREMIUMS*

A. *Annual Premium*

The amount of the Named Insured's Annual Premium for the current calendar year shall be equal to the sum of the following premiums for such year:

- (1) the Experience Modified Premium,
- (2) the Experience Premium Credit,
- (3) the Named Windstorm Offshore Excess Premium,
- (4) the Named Windstorm Onshore Excess Premium,
- (5) the Standard Expense Premium,
- (6) the Flat Expense Premium,
- (7) the Standard New Entrant Premium,
- (8) the Flat New Entrant Premium,
- (9) the Named Windstorm Offshore Excess New Entrant Premium,
- (10) the Named Windstorm Onshore Excess New Entrant Premium,
- (11) the Retrospective Premium, and
- (12) any other amount specified in this Rating & Premium Plan.

The Annual Premium applicable to each Named Insured will be the amount of premium owed by such Named Insured to the Underwriter and shall be payable to the Underwriter as determined by the Underwriter. The Board of Directors may, in any particular case and in its absolute discretion, provide for a discount with respect to prepayment of any premium amount.

The Underwriter may select any date within the ninety (90) day period prior to the start of a calendar year as of which to calculate the Annual Premiums for such year. However at any time prior to or during a calendar year, the Underwriter may recalculate the Annual Premiums for such calendar year in whole or in part. The calculation of Annual Premiums may include estimated expense amounts and expected losses determined actuarially by the Underwriter.

B. *Experience Modified Premium*

The amount of the Named Insured's Experience Modified Premium for the current calendar year shall be equal to:

- (1) the Named Insured's Experience Free Premium for such year, multiplied by
- (2) the Named Insured's Experience Modifier for such year.

C. *Experience Premium Credit*

The amount of the Named Insured's Experience Premium Credit for the current calendar year shall be equal to:

- (1) the Named Insured's Experience Free Premium for such year, multiplied by
- (2) (a) one (1), minus
 - (b) (i) the total Experience Modified Premium of all Assureds for such year, divided by
 - (ii) the total Experience Free Premium of all Assureds for such year.

D. *Experience Free Premium*

The amount of the Named Insured's Experience Free Premium for the current calendar year shall be equal to the sum of the Named Insured's Standard Premium and Flat Premium for such year.

E. *Standard Premium*

The amount of the Named Insured's Standard Premium for the current calendar year shall be equal to the sum of, for each of the five (5) Prior Calendar Years, of the product of:

- (1) the Risk Premium Factor for the current calendar year,
- (2) the Named Insured's Standard Pool Participation for such prior calendar year, and
- (3) one fifth (20%) of the Standard Pool Losses of all Assureds for such prior calendar year.

F. *Flat Premium*

The amount of the Named Insured's Flat Premium for the current calendar year shall be equal to the sum of, for each of the five (5) Prior Calendar Years, of the product of:

- (1) the Risk Premium Factor for the current calendar year,
- (2) the Named Insured's Flat Pool Participation for such prior calendar year, and
- (3) one fifth (20%) of the Flat Pool Losses of all Assureds for such prior calendar year.

G. *Named Windstorm Offshore Excess Premium*

The amount of Named Insured's Named Windstorm Offshore Excess Premium for the current calendar year shall be equal to the sum of, for each of the five (5) Prior Calendar Years, of the product of:

- (1) the Risk Premium Factor for the current calendar year,
- (2) the Named Insured's Named Windstorm Offshore Pool Participation for such prior calendar year, and
- (3) one fifth (20%) of the Named Windstorm Offshore Excess Pool Losses for such prior calendar year.

H. *Named Windstorm Onshore Excess Premium*

The amount of the Named Insured's Named Windstorm Onshore Excess Premium for the current calendar year shall be equal to the sum of, for each of the five (5) Prior Calendar Years, of the product of:

- (1) the Risk Premium Factor for the current calendar year,
- (2) the Named Insured's Named Windstorm Onshore Pool Participation for such prior calendar year, and
- (3) one fifth (20%) of the Named Windstorm Onshore Excess Pool Losses for such prior calendar year.

I. *Standard Expense Premium*

The amount of the Named Insured's Standard Expense Premium for the current calendar year shall be equal to:

- (1) the Named Insured's Standard Pool Participation for the immediately preceding calendar year, multiplied by
- (2) the sum of the Operating Expenses and the Cost of Money Expenses (excluding the portion allocated to the Flat Expense Premium) incurred by the Company in the immediately preceding calendar year.

J. *Flat Expense Premium*

The amount of the Named Insured's Flat Expense Premium for the current calendar year shall be equal to:

- (1) the Named Insured's Flat Pool Participation for the immediately preceding calendar year, multiplied by
- (2) the allocable portion determined by the Underwriter in its discretion of the Cost of Money Expenses incurred by the Company in the immediately preceding calendar year.

K. *Standard New Entrant Premium*

The Named Insured's Standard New Entrant Premium, as respects any Named Insured during its New Entrant Period, shall be an amount calculated using the methodology established by the Chief Executive Officer of the Company or his designee pursuant to guidelines established by the Board of Directors.

L. *Flat New Entrant Premium*

The Named Insured's Flat New Entrant Premium, as respects any Named Insured during its New Entrant Period, shall be an amount calculated using the methodology established by the Chief Executive Officer of the Company or his designee pursuant to guidelines established by the Board of Directors.

M. *Named Windstorm Offshore Excess New Entrant Premium*

The Named Insured's Named Windstorm Offshore Excess New Entrant Premium, as respects any Named Insured during its New Entrant Period, shall be an amount calculated using the methodology established by the Chief Executive Officer of the Company or his designee pursuant to guidelines established by the Board of Directors.

N. *Named Windstorm Onshore Excess New Entrant Premium*

The Named Insured's Named Windstorm Onshore Excess New Entrant Premium, as respects any Named Insured during its New Entrant Period, shall be an amount calculated using the methodology established by the Chief Executive Officer of the Company or his designee pursuant to guidelines established by the Board of Directors.

O. *Retrospective Premium*

The amount of the Named Insured's Retrospective Premium shall be equal to one fifth (20%) of the Named Insured's Retrospective Losses for the five (5) Prior Calendar Years.

II. *DETERMINATION OF POOL PARTICIPATIONS*

A. *Standard Pool Participation*

The Named Insured's Standard Pool Participation for any particular calendar year shall be the percentage equal to:

- (1) the Named Insured's Standard Weighted Gross Assets for such year, divided by
- (2) the total Standard Weighted Gross Assets of all Assureds for such year.

B. *Flat Pool Participation*

The Named Insured's Flat Pool Participation for any particular calendar year shall be the percentage equal to:

- (1) the Named Insured's Flat Weighted Gross Assets for such year, divided by
- (2) the total Flat Weighted Gross Assets of all Assureds for such year.

C. *Named Windstorm Offshore Pool Participation*

The Named Insured's Named Windstorm Offshore Pool Participation for any particular calendar year shall be the percentage equal to:

- (1) the Named Insured's Named Windstorm Offshore Weighted Gross Assets for such year, divided by
- (2) the total Named Windstorm Offshore Weighted Gross Assets of all Assureds for such year.

D. *Named Windstorm Onshore Pool Participation*

The Named Insured's Named Windstorm Onshore Pool Participation for any particular calendar year shall be the percentage equal to:

- (1) the Named Insured's Named Windstorm Onshore Weighted Gross Assets for such year, divided by
- (2) the total Named Windstorm Onshore Weighted Gross Assets of all Assureds for such year.

III. *DETERMINATION OF WEIGHTED GROSS ASSETS*

A. *Standard Weighted Gross Assets*

The amount of the Named Insured's Standard Weighted Gross Assets for any particular calendar year shall be equal to the total for all Sectors and layers of coverage of:

- (1) the Named Insured's Unmodified Gross Assets for each Sector for such year, multiplied by
- (2) the applicable risk weighting factors for such Sector and layer of coverage established by the Board of Directors prior to the end of a calendar year as respects such calendar year.

B. *Flat Weighted Gross Assets*

The amount of the Named Insured's Flat Weighted Gross Assets for any particular calendar year shall be equal to the total for all Sectors of:

- (1) the Named Insured's Standard Weighted Gross Assets for each Sector for such year, multiplied by
- (2) the applicable Quota Share Factor for such Sector.

"Quota Share Factor" as respects any Named Insured and Sector means the factor given in the table below corresponding to the Named Insured's Quota Share Retention for such Sector.

<u>Quota Share Retention</u>	<u>Quota Share Factor</u>
0%	1.00
10%	0.75
20%	0.50
30%	0.25
40%	0.00

C. *Named Windstorm Offshore Weighted Gross Assets*

The amount of the Named Insured's Named Windstorm Offshore Weighted Gross Assets for any particular calendar year shall be equal to the total for all Geographic Regions and layers of coverage of:

- (1) the Named Insured's Named Windstorm Unmodified Gross Assets located Offshore for each Geographic Region for such year, multiplied by
- (2) the applicable risk weighting factors for such Geographic Region and layer of coverage established by the Board of Directors prior to the end of a calendar year as respects such calendar year.

D. *Named Windstorm Onshore Weighted Gross Assets*

The amount of the Named Insured's Named Windstorm Onshore Weighted Gross Assets for any particular calendar year shall be equal to the total for all Geographic Regions and layers of coverage of:

- (1) the Named Insured's Named Windstorm Unmodified Gross Assets located Onshore for each Geographic Region for such year, multiplied by
- (2) the applicable risk weighting factors for such Geographic Region and layer of coverage established by the Board of Directors prior to the end of a calendar year as respects such calendar year.

E. *Time-Weighting*

When a Named Insured elects to make a Coverage Change or when a Named Insured first becomes a Named Insured, effective on any day other than the first day of a calendar year, then the Named Insured's Standard Weighted Gross Assets, Flat Weighted Gross Assets, Named Windstorm Offshore Weighted Gross Assets, and Named Windstorm Onshore Weighted Gross Assets shall be time-weighted on an actual day basis in respect of the coverage in effect at different times.

IV. *UNMODIFIED GROSS ASSETS*

A. Each Named Insured shall file, with the Underwriter, within one hundred and eighty (180) days of the end of the Assured's financial year, a report of Unmodified Gross Assets and Named Windstorm Unmodified Gross Assets which shall be certified by the Assured's chartered accountants or certified public accountants or otherwise verified to the Underwriter's satisfaction.

B. The Underwriter shall, at any time, be permitted to audit the Unmodified Gross Assets of the Named Insured, and the Named Insured shall provide all cooperation reasonably requested by the Underwriter in connection therewith and shall endeavor to obtain such cooperation from its chartered accountants or certified public accountants.

If the Named Insured inadvertently fails to report any Unmodified Gross Assets to the Underwriter, coverage in respect thereof and otherwise shall not be prejudiced, but the Named Insured shall be required to pay all premiums, which would have been due had the Unmodified Gross Assets been correctly reported, with interest as provided in Section XI.

C. The Assured's Unmodified Gross Assets are the gross value, as reported in the Assured's most recent annual financial report, of the Assured's:

- (1) property, plant and equipment (without deduction for depreciation, depletion and amortization), plus

(2) all inventories, materials and supplies and also plus any inventories and/or other property deemed in the discretion of the Underwriter to be owned property under the Policy,

but excluding

(3) property of any or all type or nature to the extent that coverage in respect thereof would violate economic or trade sanctions pursuant to the laws, rules, regulations, orders, decisions, directives or common positions of the European Union, the United States of America or any other governmental body or international authority having jurisdiction over the Underwriter.

The Unmodified Gross Assets reported shall be broken down by Sector.

D. The Assured's Named Windstorm Unmodified Gross Assets is the portion of the Assured's Unmodified Gross Assets located within, or in Onshore Coastal areas bordering, the Atlantic Basin or any Designated Named Windstorm Geographic Region.

The Named Windstorm Unmodified Gross Assets shall not include any Unmodified Gross Assets excluded from coverage pursuant to Exclusion 35 of the Policy.

The Named Windstorm Unmodified Gross Assets reported shall be broken down by Geographic Region, and within Geographic Region by either (1) country, or (2) in the case of the United States of America by state, District of Columbia, territory, or possession.

E. The Unmodified Gross Assets shall be adjusted so as to be consistent in all material respects (except as otherwise agreed by the Board of Directors) with generally accepted accounting principles in the United States of America or International Financial Reporting Standards.

F. The Underwriter may, upon certification or other verification satisfactory to the Underwriter, permit Assureds which on their financial reports capitalize exploration and development costs on a full cost basis to restate such capitalization on a successful efforts basis.

G. Subject to such conditions as the Underwriter may require, the Underwriter may, upon request of a Named Insured, adjust such Named Insured's Unmodified Gross Assets to reflect more accurately, in the judgment of the Underwriter, the economic realities of ownership attributes.

H. With respect to any Named Insured which has been granted additional limits by the Underwriter pursuant to Section III.C of the Coverage Options Endorsement, the Unmodified Gross Assets of such Named Insured shall be deemed for purposes of this Rating & Premium Plan to be an amount equal to ten (10) times the largest granted insurance limit per occurrence in any Sector.

V. DETERMINATION OF EXPERIENCE MODIFIERS

(1) The Named Insured's Experience Modifier for the current calendar year is a factor based on the Named Insured's Reserve Ratio for the current calendar year.

(2) The modifier shall be the amount shown on the Experience Modification Schedule attached hereto as Schedule 1; provided, however, that Experience Modifier values corresponding to Reserve Ratio values that are not explicitly shown on such schedule shall be linearly interpolated from the nearest appropriate values.

(3) Once the Incurred Losses for the prior calendar year have been finalized and signed off by the Underwriter then the Experience Modifiers of all Named Insureds shall be recalculated and made final for the current calendar year.

(4) In the event that a Named Insured (“Acquired Named Insured”) becomes majority owned or controlled by another Named Insured (“Surviving Named Insured”) after the Experience Modifiers for the current year have been made final then the Experience Modifier for the current calendar year for the Surviving Named Insured shall be set to a value that when applied causes no change in the Experience Premium Credit of any other Named Insured from that calculated prior to the Acquired Named Insured becoming majority owned or controlled by the Surviving Named Insured.

(5) The Board of Directors may at any time prior to the end of an calendar year make changes to the Experience Modification Schedule as respects subsequent calendar years by Three-Quarters’ Directors Vote; provided however that in no event shall any Experience Modifier value be greater than one and a half (1.5).

VI. DETERMINATION OF RESERVE RATIOS

A. Reserve Ratio

The Named Insured’s Reserve Ratio for the current calendar year shall be calculated by the following formula:

- (1) the sum, for each of the three (3) Prior Calendar Years, of
 - (a) the Named Insured’s Standard Pool Losses for such prior calendar year, plus
 - (b) the Named Insured’s Flat Pool Losses for such prior calendar year, plus
 - (c) the Named Insured’s Loss Adjustment Expenses for such prior calendar year,divided by
- (2) the sum, for each of the three (3) Prior Calendar Years, of
 - (a) the Named Insured’s Standard Pool Participation for such prior calendar year, multiplied by the Standard Pool Losses of all Assureds for such prior calendar year, plus
 - (b) the Named Insured’s Flat Pool Participation for such prior calendar year, multiplied by the Flat Pool Losses of all Assureds for such prior calendar year, plus
 - (c) the Named Insured’s Standard Pool Participation for such prior calendar year, multiplied by the Loss Adjustment Expenses of all Assureds for such prior calendar year.

“Loss Adjustment Expenses” means with respect to any Named Insured for any calendar year subsequent to 2013 the sum of all allocated expenses paid in the adjustment of the Named Insured’s claims, if any, and shall include, but is not limited to, independent adjuster’s expenses, attorney fees, expert fees, arbitration and litigation costs and fees as well as other similar costs or expenses.

VII. LOSSES

A. Incurred Losses

The Named Insured's Incurred Losses for any particular calendar year shall be the sum of all losses paid during such year and any and all net changes made during such year to reserves for losses reported but not yet paid, less any subrogation proceeds received during such year, irrespective of the commencement dates, or other timing, of the Occurrences in respect of which such losses were paid, reserves changed, or subrogation proceeds were received.

If any loss is in respect of an Occurrence to which a Quota Share Retention greater than zero percent (0%) applies, then for the purposes of determining the Incurred Losses such loss shall be first grossed-up by dividing such loss by the percentage equal to one hundred percent (100%) minus the applicable Quota Share Retention.

B. Retrospective Losses

The Named Insured's Retrospective Losses for any particular calendar year shall be the sum of the products of the Named Insured's Incurred Losses for such year subject to the obligation to pay Retrospective Premiums and the Retrospective Percentages respectively applicable thereto.

"Retrospective Percentage" means the applicable percentage elected pursuant to Section I.C of the Coverage Options Endorsement as respects transfer of risk subject to Retrospective Premium.

C. Named Windstorm Losses

The Named Insured's Named Windstorm Losses shall be the portion of the Named Insured's Incurred Losses in respect of Designated Named Windstorm Occurrences.

D. Named Windstorm Mutualized Losses

The Named Windstorm Mutualized Losses for a particular calendar year shall be the amount equal to the lesser of:

- (1) the Named Windstorm Mutualization Threshold for such year divided by sixty percent (60%), and
- (2) the total Named Windstorm Losses of all Assureds for such year.

"Named Windstorm Mutualization Threshold" means an amount to be determined by the Board of Directors in its discretion prior to the end of any calendar year as respects the following calendar year(s).¹

¹ On December 10, 2009 the Board of Directors resolved that effective January 1, 2010 the Named Windstorm Mutualization Threshold shall be three hundred million dollars (\$300,000,000).

E. Standard Pool Losses

The amount of the Named Insured's Standard Pool Losses for a particular calendar year shall be equal to:

- (1) sixty percent (60%), multiplied by
- (2) (a) the Named Insured's Incurred Losses (excluding any Named Windstorm Losses) for such year, plus
 - (b) (i) the Named Windstorm Mutualized Losses for such year, multiplied by
 - (ii) (A) the Named Insured's Named Windstorm Losses for such year, divided by (B) the total Named Windstorm Losses of all Assureds for such year.

F. Flat Pool Losses

The amount of the Named Insured's Flat Pool Losses for any particular calendar year shall be equal to:

- (1) forty percent (40%), multiplied by
- (2) the sum of the Named Insured's Incurred Losses (excluding any Named Windstorm Losses) for such year.

If any portion of the Incurred Losses used in the formula above is in respect of an Occurrence to which a Quota Share Retention greater than zero applies, then for the purposes of determining the Flat Pool Losses such portion shall be first multiplied by the applicable Quota Share Factor as set forth in Section III.B.

G. Named Windstorm Excess Pool Losses

The amount of the Named Windstorm Excess Pool Losses for a particular calendar year shall be equal to:

- (1) the sum of the Named Windstorm Losses of all Assureds for such year, minus
- (2) the Named Windstorm Mutualized Losses for such year.

H. Named Windstorm Offshore Excess Pool Losses

The amount of the Named Windstorm Offshore Excess Pool Losses for a particular calendar year shall be equal to the product of:

- (1) the Named Windstorm Excess Pool Losses for such year,
- (2) the Offshore Excess Pool Allocation Factor for such year, and
- (3) sixty percent (60%).

“Offshore Excess Pool Allocation Factor” for a particular calendar year means the factor equal to:

- (1) the Named Windstorm Losses of all Assureds in respect of property, plant and equipment located Offshore for such year, divided by
- (2) the Named Windstorm Losses of all Assureds for such year.

I. *Named Windstorm Onshore Excess Pool Losses*

The amount of the Named Windstorm Onshore Excess Pool Losses for a particular calendar year shall be equal to the product of:

- (1) the Named Windstorm Excess Pool Losses for such year,
- (2) the Onshore Excess Pool Allocation Factor for such year, and
- (3) sixty percent (60%).

“Onshore Excess Pool Allocation Factor” for a particular calendar year means the factor equal to:

- (1) the Named Windstorm Losses of all Assureds in respect of property, plant and equipment located Onshore for such year, divided by
- (2) the Named Windstorm Losses of all Assureds for such year.

VIII. *CANCELLATION OF POLICIES*

A. *Withdrawal Premium*

In the event of Policy Cancellation the Named Insured shall be obligated to pay to the Underwriter a Withdrawal Premium. Such amount shall be payable as determined by the Underwriter. Withdrawal Premiums shall be determined at such time as is deemed appropriate by the Underwriter in its discretion. The Withdrawal Premium amount is equal to the lesser of:

- (1) the amount of future Annual Premium (computed without reference to the Standard New Entrant Premium, or the Flat New Entrant Premium) which the Named Insured would have paid absent such Policy Cancellation in the five (5) calendar years subsequent to such Policy Cancellation as estimated by the Underwriter, or
- (2) an amount determined by the Underwriter pursuant to guidelines established by the Board of Directors.

The Withdrawal Premium in the foregoing clause (1) shall be estimated using:

- (1) a Risk Premium Factor of one hundred percent (100%),
- (2) Operating Expenses and Cost of Money Expenses incurred during the calendar year of Policy Cancellation only,
- (3) Incurred Losses for all Assureds on and/or prior to the end date of the calendar year of Policy Cancellation, and without discount to present value, and

(4) with Experience Modifiers for the three (3) calendar years immediately subsequent to the calendar year of Policy Cancellation limited to the value of the Experience Modifier for the calendar year immediately subsequent to calendar year of Policy Cancellation.

B. *Additional Retrospective Premiums*

In the event of Policy Cancellation, any payment of any claim after the final computation of the Withdrawal Premium shall be reduced by an amount equal to additional Retrospective Premiums, if any, which would have been due from the Named Insured in respect thereof had there been no Policy Cancellation.

C. *Annual Premium Due*

If for any reason Policy Cancellation occurs effective as of a date before the end date of the calendar year, then any unpaid portion of the Annual Premium for the calendar year shall become immediately due and payable by the Named Insured to the Underwriter in full.

IX. *TAXES*

Premiums payable by the Named Insured determined as hereinabove set forth shall be net of any withholding or other taxes, other than Bermuda taxes, thereon or with respect thereto, and the Named Insured shall indemnify and make whole the Underwriter for and against any such taxes.

X. *BROKERAGE COMMISSIONS*

The Underwriter in its discretion may pay brokerage commissions, but only to the extent and subject to such terms and conditions as the Board of Directors may from time to time determine. Premiums payable by the Named Insured determined as hereinabove set forth shall be net of any brokerage commissions in respect thereof (excluding Initial Brokerage Commission), and the Named Insured shall advance to the Underwriter (or if applicable indemnify the Underwriter in respect of) any commissions to be paid (or paid) by the Underwriter to any broker acting on behalf of the Named Insured.

XI. *INTEREST*

Any payment due to or from the Underwriter which is not made when due shall bear interest from the due date until the date of payment, calculated daily (and compounded quarterly) using one three hundred and sixtieth ($1/360$) of the sum of the Base Rate and one and a half percent (1.5%), unless otherwise specified.

“Base Rate” means the greater of (1) the average, for the previous ten business days, of the annual Secured Overnight Financing Rate published by the Federal Reserve Bank of New York, and (2) zero percent (0%).

XII. DEFINITIONS

The definitions of the terms defined in the Shareholders' Agreement and exhibits thereto are incorporated by reference into this Rating & Premium Plan.

"Assured" means the Assured referred to in the applicable policy issued by the Underwriter.

"Cost of Money Expenses" means the sum of applicable interest on loans and other applicable cost of money expenses incurred by the Underwriter.

"Cumulative Allocable Premium", as respects any Named Insured means the amount equal to the sum of:

(1) as respects a Named Insured that was a Named Insured on February 26, 2014, and has remained a Named Insured continuously since that date, the Named Insured's Cumulative Allocable Premium (as such term was in effect in 2014) as used to determine the extraordinary dividend distribution paid in 2014, and

(2) (a) the cumulative sum of the following premiums allocated to the Named Insured in respect of each calendar year subsequent to 2013 and for which the Annual Premium in respect of such year has been fully earned by the Underwriter (excluding any premiums in respect of any Previous Membership Periods) of:

- (i) Standard Premium,
- (ii) Standard Expense Premium,
- (iii) Standard New Entrant Premium,
- (iv) Named Windstorm Offshore Excess Premium,
- (v) Named Windstorm Offshore Excess New Entrant Premium,
- (vi) Named Windstorm Onshore Excess Premium, and
- (vii) Named Windstorm Onshore Excess New Entrant Premium

(b) divided by three tenths (0.3).

"Designated Named Windstorm Geographic Region" has the meaning set forth in the definition of "Designated Named Windstorm Geographic Region Trigger Event".

"Designated Named Windstorm Geographic Region Trigger Event" as respects any Geographic Region not encompassed by the Atlantic Basin or any Designated Named Windstorm Geographic Region(s) means:

(1) the Underwriter sustains during any calendar year after 2009 Incurred Losses attributable to any Named Windstorm in such Geographic Region equal to the Named Windstorm Trigger Amount, or

(2) the Underwriter sustains in any five (5) (or fewer) consecutive calendar years after 2009 Incurred Losses attributable to any two or more Named Windstorms in such Geographic Region equal to or in excess of the Named Windstorm Cumulative Trigger Amount.

Upon the occurrence of any such Designated Named Windstorm Geographic Region Trigger Event, such Geographic Region shall be a Designated Named Windstorm Geographic Region as respects all succeeding calendar years following the calendar year in which the Designated Named Windstorm Geographic Region Trigger Event first occurs, unless the Board of Directors otherwise determines no later than ninety (90) days after the end of the calendar year in which the Designated Named Windstorm Geographic Region Trigger Event first occurs.

“Geographic Region” means any geographic region as determined by the Underwriter. One Geographic Region may encompass or overlap with another Geographic Region.

“Initial Brokerage Commission” means the portion of commission the Underwriter may pay, pursuant to Section X, to a broker representing the Named Insured, allocable to services rendered in the first twelve (12) months for which the Named Insured purchases coverage.

“Named Insured” for all purposes hereunder shall also be deemed to include any predecessor Named Insured where either the Named Insured or the Energy Company under the policy(ies) issued to such predecessor Named Insured was the same as either the Named Insured or Energy Company under the policy(ies) issued to the current Named Insured.

“Named Windstorm Trigger Amount” means an amount determined by the Board of Directors from time to time.¹

“Named Windstorm Cumulative Trigger Amount” means an amount determined by the Board of Directors from time to time.²

“New Entrant Period” means the period of one thousand eight hundred twenty five (1825) days beginning on the day that the Named Insured first became a Named Insured.

“Offshore” means the geographic area that lies seaward of the coastline, but excluding structures extending from, or immediately adjacent to land or shore such as piers, wharves, jetties, docks, or other similar structures. The coastline is the line of ordinary low water along with that portion of the coast that is in direct contact with the open sea or the line marking the seaward limit of inland water; provided, however, that if a governmental agency in a particular geographic area uses a different basis for classifying “onshore” and “offshore” areas, this shall be controlling.

“Onshore” means any area that is not offshore.

“Onshore Coastal” means the portion of the Geographic Region located Onshore within a specified number of international statute miles of the coastline as may be determined by the Board of Directors in any calendar year for the subsequent calendar year(s).³

“Operating Expenses” means the sum of allocated loss adjustment expenses incurred by the Company (including, without limitation, adjusters' fees, attorneys' fees, costs associated with arbitration/litigation and expenses of the Company's employees incurred in travel with respect to loss claims), unallocated

¹ On December 10, 2009 the Board of Directors resolved that effective January 1, 2010 the Named Windstorm Trigger Amount shall be seven hundred fifty million dollars (\$750,000,000).

² On December 10, 2009 the Board of Directors resolved that effective January 1, 2010 the Named Windstorm Cumulative Trigger Amount shall be one billion dollars (\$1,000,000,000).

³ On July 19, 2007, the Board of Directors resolved that the number of international statute miles to be used for determining the Onshore Coastal portion of a Geographic Region shall be fifty (50).

loss adjustment expenses incurred by the Company, all Initial Brokerage Commission payments made by the Company, and all other underwriting, overhead, miscellaneous and other expenses of the Company and its subsidiaries (in each case as adjusted for inflation by the Underwriter in its discretion) but excluding investment management fees.

“Policy” means the policy issued by the Underwriter to the Assured.

“Policy Cancellation” means cancellation or notice of cancellation or non-renewal or notice of non-renewal of policies under Section 2.02 or 6.04 of the Shareholders’ Agreement or Condition L of the Policy.

“Previous Membership Period” means a previous contiguous period of coverage under a policy or policies issued by the Underwriter to the Named Insured which ends with such coverage being terminated by a Policy Cancellation.

“Prior Calendar Years” means the calendar years immediately prior to the current calendar year.

“Risk Premium Factor” means a factor in respect of, without limitation, risk exposures, inflation, future adverse loss development, incurred but not reported losses and/or rate stabilization, as determined by the Board of Directors in its discretion effective as respects any then current or future calendar year.

“Sector” means a business sector as determined by the Board of Directors in its discretion prior to the end of a calendar year as respects the following calendar year(s). The current Sector definitions as determined by the Board of Directors are reproduced for convenience only on Schedule 2 hereto. For the avoidance of doubt, Schedule 2 does not form part of this Rating & Premium Plan and should not be used for any coverage guidance or interpretation. The language of the policies shall be controlling in all cases.

EXPERIENCE MODIFICATION SCHEDULE

Named Insured's Reserve Ratio	Named Insured's Experience Modifier
150% and below	1.000
160%	1.013
170%	1.025
180%	1.038
190%	1.050
200%	1.063
210%	1.075
220%	1.088
230%	1.100
240%	1.113
250%	1.125
260%	1.138
270%	1.150
280%	1.163
290%	1.175
300%	1.188
310%	1.200
320%	1.213
330%	1.225
340%	1.238
350% and over	1.250

SECTOR & GEOGRAPHIC REGION DEFINITIONS

This schedule defines the Sector & Geographic Region definitions, approved by the Board of Directors, to be used for the purposes of reporting Unmodified Gross Assets and Named Windstorm Unmodified Gross Assets pursuant to Sections IV.C and IV.D of the Rating & Premium Plan. For the avoidance of doubt, this schedule is reproduced for convenience only; it does not form part of the Rating & Premium Plan and should not be used for any coverage guidance or interpretation. The language of the policies shall be controlling in all cases.

The definitions of the terms defined in the Shareholders' Agreement and exhibits thereto are incorporated by reference into this Schedule.

SECTOR DEFINITIONS

The Sector definitions, as approved by the Board of Directors on December 8, 2022 (effective January 1, 2023), are as follows:

“Biofuels & Biochemicals” means the Sector for reporting Unmodified Gross Assets in respect of companies or business operations engaged in the manufacturing, refining, transportation (excluding Pipeline Operations), distribution, marketing, and/or sale of biofuels and/or biochemicals. Biofuel means a fuel that is produced over a short time span from raw, processed, and/or waste matter of biological or renewable origin, and includes, without limitation, biogas, renewable natural gas, renewable propane, biodiesel, renewable diesel, and renewable naphtha. Biochemical means a chemical that is produced from raw, processed, and/or waste matter of biological or renewable origin.

“Electrical Storage” means the Sector for reporting Unmodified Gross Assets of companies or business operations engaged in the storage of electrical energy.

“Electric Utilities” means the Sector for reporting Unmodified Gross Assets (other than those accounted for under another business Sector) of companies or business operations engaged in the generation (excluding co-generation electricity plants located within or adjacent to refinery complexes), transmission, distribution, marketing, and/or sale of electrical energy. Concentrated solar power or concentrated solar thermal systems shall be reported under this Sector.

“Hydrogen” means the Sector for reporting Unmodified Gross Assets in respect of companies or business operations engaged in the manufacturing, transportation (excluding Pipeline Operations), distribution, marketing, and/or sale of hydrogen.

“Mining” means the Sector for reporting Unmodified Gross Assets of companies or business operations engaged in the exploration, mining, and/or extraction of:

- (1) mineral deposits or ores,
- (2) coal,
- (3) oil sands for transportation to extraction plants, and/or
- (4) bitumen by a hot-water wash (often referred to as the steam process).

“Offshore Carbon Capture & Storage” means the Sector for reporting Unmodified Gross Assets that are physically located Offshore (including Pipelines) in respect of companies or business operations engaged in the capture, transportation, processing, storage, and/or sequestration of carbon dioxide.

“Offshore Exploration & Production” means the Sector for reporting Unmodified Gross Assets that are physically located Offshore (including Pipelines) in respect of companies or business operations engaged in the exploration, development, production, processing, and/or on-site storage of hydrocarbons.

“Offshore Wind” means the Sector for reporting Unmodified Gross Assets that are physically located Offshore (including cables) in respect of companies or business operations engaged in the generation, and/or transmission of electrical energy from wind energy resources.

“Onshore Carbon Capture & Storage” means the Sector for reporting Unmodified Gross Assets that are physically located Onshore in respect of companies or business operations engaged in the capture, transportation, processing, storage, and/or sequestration of carbon dioxide.

“Onshore Exploration & Production” means the Sector for reporting Unmodified Gross Assets that are physically located Onshore in respect of companies or business operations engaged in

- (1) the exploration, development, production, processing, and/or on-site storage of hydrocarbons, and/or
- (2) the extraction of bitumen from oil sands by the Steam Assisted Gravity Drainage Process (SAGD) (the drilling of injection and production wells, steam injection in order to separate the bitumen from the sand, and collection of the bitumen and pumping it to the surface).

“Onshore Wind” means the Sector for reporting Unmodified Gross Assets that are physically located Onshore in respect of companies or business operations engaged in the generation, and/or transmission of electrical energy from wind energy resources.

“Other” means the Sector for reporting Unmodified Gross Assets that do not qualify under any of the other Sector definitions.

“Pharmaceuticals” means the Sector for reporting Unmodified Gross Assets of companies or business operations engaged in the discovery, development, manufacturing, and/or marketing of vaccines, prescription and over-the-counter medicines, and/or health-related products for humans and/or animals.

“Pipeline Operations” means the Sector for reporting Unmodified Gross Assets that are physically located Onshore (other than those accounted for under another business Sector) in respect of:

- (1) companies or business operations engaged in the transportation via Pipelines, processing, terminaling, and/or storage of fluids, and/or
- (2) underground cables.

“Refining & Marketing / Chemicals” means the Sector for reporting Unmodified Gross Assets (other than those accounted for under another business Sector) in respect of:

- (1) companies or business operations engaged in the manufacturing, refining, transportation (excluding Pipeline Operations), distribution, marketing, and/or sale of:
 - (a) motor gasoline,

- (b) distillate fuels,
 - (c) lubricants,
 - (d) synthetic crude oil refined (upgraded) from bitumen extracted from oil sands,
 - (e) other refined products derived from hydrocarbons (including synthetic crude oil), and/or
 - (f) chemicals of all types other than Pharmaceuticals, and/or
- (2) co-generation electricity plants located within or adjacent to refinery complexes.

“**Solar**” means the Sector for reporting Unmodified Gross Assets (other than those accounted for under another business Sector) of companies or business operations engaged in the generation, and/or transmission of electrical energy from solar energy resources.

Note: Inventories should be classified under the business sector in which they are accounted for.

GEOGRAPHIC REGION DEFINITIONS

The maps presented below are for illustrative purposes only, the Geographic Region definitions are controlling.

The Geographic Region definitions, as approved by the Board of Directors on December 6, 2012, and subsequently amended on March 21, 2017 (effective January 1, 2018), are as follows:

The “**Offshore Gulf of Mexico Geographic Region**” is the Offshore portion of the Gulf Of Mexico.



The “**Onshore Gulf of Mexico Geographic Region**” is the Onshore Coastal areas appurtenant to (and islands within) the Offshore Gulf of Mexico Geographic Region.

The “**Offshore Upper Atlantic Geographic Region**” is the portion of the Atlantic Basin (i.e., Offshore areas only) bounded to the south by the latitude of the most easterly point of the border of the states of Florida and Georgia.



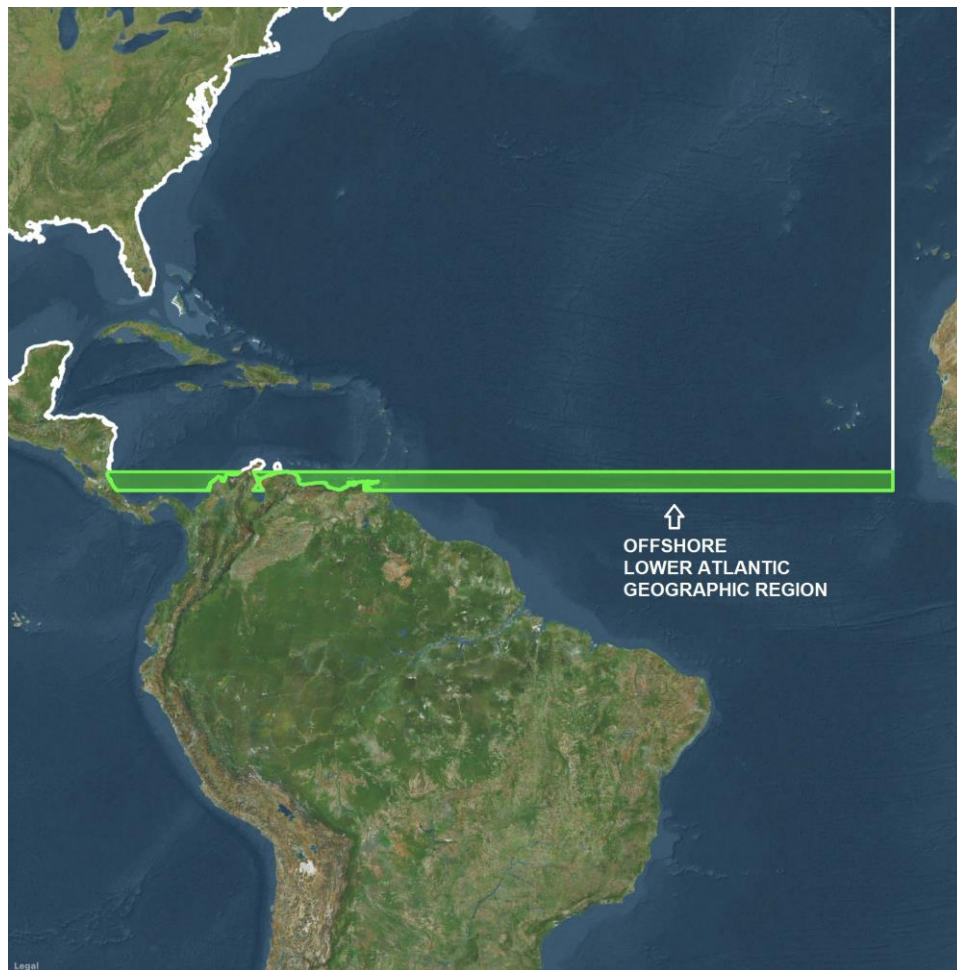
The “**Onshore Upper Atlantic Geographic Region**” is the Onshore Coastal areas appurtenant to (and islands within) the Offshore Upper Atlantic Geographic Region.

The “**Offshore Non-Gulf of Mexico, Caribbean & Mid-Atlantic Geographic Region**” is the portion of the Atlantic Basin (i.e., Offshore areas only) bounded to the west and north-west by the Offshore Gulf of Mexico Geographic Region and bounded to the north by the latitude of the most easterly point of the border of the states of Florida and Georgia, and bounded to the south by latitude 11.5° north.



The “**Onshore Non-Gulf of Mexico, Caribbean & Mid-Atlantic Geographic Region**” is the Onshore Coastal areas appurtenant to (and islands within) the Offshore Non-Gulf of Mexico, Caribbean & Mid-Atlantic Geographic Region.

The “**Offshore Lower Atlantic Geographic Region**” is the portion of the Atlantic Basin (i.e., Offshore areas only) bounded to the north by latitude 11.5° north.



The “**Onshore Lower Atlantic Geographic Region**” is the Onshore Coastal areas appurtenant to (and islands within) the Offshore Lower Atlantic Geographic Region.

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Coverage Options Endorsement

I. COVERAGE ELECTIONS & CHANGES

A. Each Named Insured shall have the option of making Coverage Change(s), by giving notice to the Underwriter at least thirty (30) days prior to the effective date of the Coverage Change(s); provided, however, that a Named Insured may only make a Coverage Change with the written consent of, and upon such terms and conditions as are prescribed by, the Underwriter; without limiting the foregoing the Underwriter may in the case of a change in deductible or limit, require a warranty relating to the absence of underlying or other insurance (and breach of any such warranty shall void coverage as respects the Sector(s) or Geographic Region(s) involved). The consent of the Underwriter shall be evidenced in writing with the effective date being the date of writing unless otherwise evidenced by the Underwriter.

B. The Named Insured shall elect to purchase coverage as respects any Sector(s) based on a quota share retention of zero percent (0%), ten percent (10%), twenty percent (20%), thirty percent (30%), or forty percent (40%). Such elections in respect of quota share retention(s) shall be evidenced on the Policy Declaration.

Losses shall be paid based on the product of (1) the amount which would otherwise be paid under the Policy and (2) one hundred percent (100%) minus the applicable quota share retention, and the per occurrence limits shall be equal to the product (1) of the limits which otherwise would apply and (2) one hundred percent (100%) minus the applicable quota share retention.

C. Where the Named Insured participates in any layer on a quota share basis greater than zero percent (0%) (apart from any external quota share retention of the Assured pursuant to Section III.D), the Named Insured may elect to:

- (1) retain all or any portion of the risk as respects its retention (in which case the Named Insured may without prejudice to its coverage from the Underwriter otherwise obtain insurance in respect thereof), or
- (2) provided that such Named Insured satisfies the Retrospective Premium Eligibility Criteria, transfer all or any remaining portion (in ten percent (10%) increments) of such risk to the Underwriter subject to the obligation to pay Retrospective Premium as respects the percentage of risk so transferred; provided, however, that in no event shall such transfer exceed forty percent (40%).

Elections in respect of clauses (1) and/or (2) above shall be evidenced on the Policy Declaration.

In the event that a Named Insured that has made a Retrospective Premium Election does not satisfy or no longer satisfies the Retrospective Premium Eligibility Criteria then such election shall terminate at the end of the Retrospective Premium Ineligibility Year, provided, however, that upon written application by the Named Insured, the Underwriter may, in its sole discretion, grant an extension to such election up to March 31 of the year immediately following the Retrospective Premium Ineligibility Year.

“Retrospective Premium Ineligibility Year” means (1) as respects a Named Insured that made the Retrospective Premium Election subsequent to 2018, the year in which the Named Insured ceased to satisfy the Retrospective Premium Eligibility Criteria, or (2) as respects a Named Insured that made the Retrospective Premium Election prior to 2019, the year 2019.

II. DEDUCTIBLES

Each Named Insured shall have the option of selecting a deductible greater or equal to the Minimum Deductible (in multiples of five million dollars (\$5,000,000)) with respect to each occurrence, except as otherwise provided in Condition F.4a of the Policy, either generally or with respect to one or more specific Sectors or, as respects any Designated Named Windstorm Occurrence, any Geographic Regions.

III. INSURANCE LIMITS

A. Occurrence Limits

Each Named Insured shall have the option of selecting an insurance limit per occurrence greater than or equal to the Minimum Insurance Limit Per Occurrence and less than or equal to the Maximum Insurance Limit Per Occurrence with respect to any Occurrence, other than a Designated Named Windstorm Occurrence, either generally or with respect to one or more specific Sectors, provided, however, that such insurance limit per occurrence shall not be greater than ten percent (10%) of the Named Insured’s Unmodified Gross Assets rounded to the nearest ten thousand dollars (\$10,000).

Each Named Insured shall have the option of selecting an insurance limit per occurrence greater than or equal to the Minimum Designated Named Windstorm Insurance Limit Per Occurrence and less than or equal to the Maximum Designated Named Windstorm Insurance Limit Per Occurrence with respect to any Designated Named Windstorm Occurrence, either generally or with respect to one or more specific Geographic Regions, provided, however, that such insurance limit per occurrence shall not be greater than ten percent (10%) of the Named Insured’s Unmodified Gross Assets rounded to the nearest ten thousand dollars (\$10,000).

There shall be no requirement of a warranty relating to the absence of underlying or other insurance, pursuant to Section I.A, in respect of a Named Insured’s election of insurance limits per occurrence greater than or equal to the applicable minimum insurance limit per occurrence for either Designated Named Windstorm Occurrences or any other Occurrences.

The Named Insured may elect to split its limits into more than one layer.

B. Reduced Limits

A Named Insured may elect to purchase less than the insurance limits per occurrence prescribed in paragraph A, either generally or with respect to one or more specific Sectors or, in respect of Designated Named Windstorm Occurrences, Geographic Regions.

In any instance where different limits apply to different Sectors or Geographic Regions, if one occurrence affects two or more Sectors or Geographic Regions, the highest insurance limit per occurrence for any such Sector or Geographic Region shall be the limit with respect to the entirety of such occurrence, and any lesser insurance limit per occurrence for a Sector or Geographic Region shall be a sublimit applicable as respects such Sector or Geographic Region.

C. Additional Limits

Additional per occurrence limits may be granted above ten percent (10%) of the Named Insured's Unmodified Gross Assets at the discretion of the Board of Directors up to the Maximum Insurance Limit Per Occurrence (or the Maximum Designated Named Windstorm Insurance Limit Per Occurrence, if applicable).

D. External Quota Share Participation

A Named Insured may elect to purchase coverage on a quota share basis, either generally or with respect to one or more specific Sectors or, in respect of Designated Named Windstorm Occurrences, Geographic Regions. In such case, the losses in the layers of coverage affected shall be paid (subject to applicable limits) based on the products of the amounts which would otherwise be paid under the policies (without regard to limits) and the percentage participations of the Underwriter on such layers.

IV. SPLIT POLICIES

The Underwriter may permit different Assureds under the same policy to secure Coverage Options on different bases; provided, however, that the implementation of such different Coverage Options shall not (1) limit the obligations of the Named Insured under the Shareholders' Agreement and exhibits thereto, or (2) increase the per occurrence limits applicable as respects all Assureds collectively under this policy.

V. DEFINITIONS

The definitions of the terms defined in the Shareholders' Agreement and exhibits thereto are incorporated by reference into this Endorsement.

"Coverage Change" means any election or selection (or any withdrawal of or change to any such election or selection) that changes one or more of an Assured's Coverage Options.

"Coverage Options" means any parameter or election as to coverage pursuant to the provisions of this endorsement, including, without limitation, deductibles, insurance limits, external quota share participation, Quota Share Retention, Retrospective Premium Election, split policies, and endorsements.

"Maximum Designated Named Windstorm Insurance Limit Per Occurrence" means the maximum insurance limit per occurrence, for any Designated Named Windstorm Occurrence, which may be elected in any Geographic Region by any Named Insured as established by the Board of Directors before the end of a calendar year as respects following calendar year(s) by Three-Quarters' Directors Vote.¹

"Maximum Insurance Limit Per Occurrence" means the maximum insurance limit per occurrence, for any Occurrence other than a Designated Named Windstorm Occurrence, which may be elected in any Sector by any Named Insured as established by the Board of Directors before the end of a calendar year as respects the following calendar year(s) by Three-Quarters' Directors Vote.²

¹ The Board of Directors resolved on July 20, 2011 that effective January 1, 2012 the Maximum Designated Named Windstorm Insurance Limit Per Occurrence shall be two hundred fifty million dollars (\$250,000,000).

² The Board of Directors resolved on July 22, 2021 that effective January 1, 2022 the Maximum Insurance Limit Per Occurrence shall be four hundred fifty million dollars (\$450,000,000).

“Minimum Deductible” means the minimum deductible which may be elected in any Sector or Geographical Region by any Named Insured as established by the Board of Directors before the end of a calendar year as respects following calendar year(s) by Three-Quarters' Directors Vote.¹

“Minimum Designated Named Windstorm Insurance Limit Per Occurrence” means the minimum insurance limit per occurrence, for any Designated Named Windstorm Occurrence, which may be elected in any Geographic Region by any Named Insured as established by the Board of Directors before the end of a calendar year as respects following calendar year(s) by Three-Quarters' Directors Vote.²

“Minimum Insurance Limit Per Occurrence” means the minimum insurance limit per occurrence, for any Occurrence other than a Designated Named Windstorm Occurrence, which may be elected in any Sector by any Named Insured as established by the Board of Directors before the end of a calendar year as respects the following calendar year(s) by Three-Quarters' Directors Vote.³

“Retrospective Premium Election” means as respects any Named Insured an election as respects transfer of risk subject to the obligation to pay Retrospective Premium pursuant to clause I.C(2) of this Coverage Options Endorsement.

“Retrospective Premium Eligibility Criteria” means the criteria that must be satisfied by a Named Insured as prerequisite for making a Retrospective Premium Election, as approved by the Board of Directors on December 5, 2018, and as amended by the Board of Directors from time to time.⁴

“Quota Share Retention” means as respects any Named Insured either (1) the quota share retention elected pursuant to Section I.B as respects any Sector, or (2) in respect of any Designated Named Windstorm Occurrence a quota share retention of forty percent (40%).

¹ On July 19, 2007 the Board of Directors resolved that effective January 1, 2008 the Minimum Deductible shall be ten million dollars (\$10,000,000).

² On July 22, 2021 the Board of Directors resolved that effective January 1, 2022 the Minimum Designated Named Windstorm Insurance Limit Per Occurrence shall be one hundred million dollars (\$100,000,000).

³ On July 22, 2021 the Board of Directors resolved that effective January 1, 2002 the Minimum Insurance Limit Per Occurrence shall be three hundred million dollars (\$300,000,000).

⁴ On December 5, 2018 the Board of Directors approved, effective March 21, 2019, the following criteria in respect of Retrospective Premium Eligibility:

RETROSPECTIVE PREMIUM ELIGIBILITY CRITERIA

A Named Insured may only make a Retrospective Premium Election if the Named Insured or the Energy Company named on the Policy Declaration has an Investment Grade Credit Rating as determined by Moody's and/or S&P.

The definitions of the terms defined in the Shareholders' Agreement and exhibits thereto are incorporated by reference into these criteria.

“Investment Grade Credit Rating” means a Moody's credit rating of Baa3 or higher or an S&P credit rating of BBB- or higher. Ratings by other credit rating agencies do not apply.

“Moody's” means Moody's Corporation, its subsidiaries, and successors.

“S&P” means S&P Global Inc., its subsidiaries, and successors.

Joint Policyholder Endorsement

Notwithstanding any other provision of any policy of insurance issued by Everen Limited, a Named Insured may designate as a joint policyholder (i) a subsidiary whose principal business is insurance, or (ii) with the consent of the Underwriter, any other of its subsidiaries; and a Named Insured may designate as a joint policyholder, in the case of a reinsurance policy, (iii) the Energy Company named in the Declaration to such reinsurance policy, or (iv) with the consent of the Underwriter, any of the subsidiaries of such Energy Company. If such a subsidiary or subsidiaries or Energy Company is so designated as a joint policyholder, the coverage and insurance limits available under the policy shall be only those which would have been available had the Named Insured been the named policyholder disregarding the naming of any such subsidiary or subsidiaries or Energy Company as a joint policyholder. The premium to be paid shall be guaranteed by the Named Insured and shall be computed as if the Named Insured alone were the named policyholder.

OPOL Priority of Coverage & Payments Endorsement

This endorsement will be issued in the sole discretion of the Underwriter

1. Subject to all provisions of this policy including the applicable per occurrence limits and deductible provisions and Conditions F and G hereof, except as noted further in this endorsement, the Underwriter agrees to indemnify or, should the Assured be unable to pay, pay on behalf of the Named Insured for any sum or sums the Assured is required, directly or indirectly, to pay pursuant to the provisions of the Offshore Pollution Liability Agreement or the Articles of Association of The Offshore Pollution Liability Association Limited as such are in effect from time to time or Rules promulgated thereunder, (hereinafter collectively the "OPOL Agreement"); provided, however, that no change in the OPOL Agreement made after January 1, 2016 shall operate to enlarge the liability of the Underwriter hereunder; provided, however, that a change made solely to increase the territorial application of such OPOL Agreement or that increases the liability of the OPOL Agreement but not the Everen Limited policy, in the sole determination of the Underwriter, shall not be deemed to enlarge the liability of the Underwriter, and provided further that the Underwriter shall not be obligated to indemnify or pay on behalf of the Named Insured any sum or sums required to be paid pursuant to subparagraphs 3 and 4 of paragraph C of Clause II of the Offshore Pollution Liability Agreement as of October 1, 2010. Should the "OPOL Agreement" be amended to expand liability beyond the terms in place as of January 1, 2016, Everen Limited will provide indemnification or will make payments on behalf of the Assured for any additional liability imposed beyond the coverage provided in this policy which creates, in the sole determination of the Underwriter, a difference in conditions, subject to the policy limits, provided that the Assured agrees to indemnify the Underwriter for payments made due to this difference in conditions provision. At any time after any expansion of liability of the "OPOL Agreement" beyond the terms in place as of January 1, 2016, as determined in the sole discretion of the Underwriter, the Underwriter will have the option to cancel this endorsement upon thirty (30) days written notice.
2. This endorsement creates a priority of coverage and payments so that in the event the Underwriter receives Notice of Loss of claims arising from the same occurrence seeking recovery pursuant to this endorsement, as well as pursuant to Insuring Agreements 1 and 2, then the Underwriter shall not make any payments within the first two hundred fifty million dollars (\$250,000,000) of Everen Limited policy limits, until such time as:
 - (a) any and all claims pursuant to the provisions of the OPOL Agreement have been fully and finally resolved; or
 - (b) the Assured provides a written representation that either:
 - i. more than one year from the date of the occurrence under which potential liability under the OPOL Agreement has arisen has passed, and that no such claims are currently pending; or
 - ii. the Underwriter has determined in its sole discretion that the Assured has otherwise satisfied its financial responsibility requirements relating to the occurrence in accordance with the OPOL Agreement.

In the event that OPOL claims are noticed by or on behalf of more than one Everen Limited participant in a Joint Venture arising from the same occurrence, any payments or case reserves within the first two hundred and fifty million dollars (\$250,000,000) shall be apportioned in proportion to the allocation methodology set forth in the Joint Venture agreement or, in the absence of such an allocation within the agreement, the percentage interest that an individual insured's participation in the Joint Venture is in relation to the sum of the percentage interest of all participants in the Joint Venture who are insured by the Underwriter.

3. The per occurrence deductible applicable to claims payment for claims paid pursuant to the provisions of the OPOL Agreement shall be ten million dollars (\$10,000,000) unless the Assured elects a higher deductible for obligations under the OPOL Agreement (the "OPOL Deductible"), provides financial guarantees suitable to OPOL and includes this election on the Annual Coverage Profile Selection Worksheet filed with the Underwriter. The Assured agrees to provide such financial security as the Underwriter may reasonably require for claimed amounts incurred in excess of the OPOL Deductible but less than or equal to the Policy Deductible as set forth in the Policy Declaration (the "Deductible Difference") and further agrees to indemnify the Underwriter for the amount of Ultimate Net Loss paid for such claims within the Deductible Difference. Payments made within the Deductible Difference shall not erode the per occurrence policy limits of the Assured. Any amounts paid pursuant to the provisions of the OPOL Agreement, inclusive of the ten million dollars (\$10,000,000) per occurrence deductible noted above may be used to satisfy the deductible as set forth in the Everen Limited Policy Declaration.
4. In the event that notices of claims arising from the same occurrence pursuant to the provisions of the OPOL Agreement are provided on behalf of more than one Policyholder, the maximum amount that the Underwriter may pay for the combined losses shall not be limited by the Aggregation Limit as set forth in section 5 of Condition F hereto. Should the Underwriter pay an amount more than the Aggregation Limit for all claims arising from the same occurrence, regardless of the number of Assureds to which the payments were made, the Assured agrees to indemnify the Underwriter for its pro rata share of the total amount paid to all Assureds in excess of the Aggregation Limit. The Assured agrees to provide such financial security as the Underwriter may reasonably require for claimed amounts incurred in excess of the Aggregation Limit.
5. In the event that more than one Everen Limited Policyholder is involved in a Joint Venture subject to OPOL jurisdiction, notice of claim submitted by the operator of the Joint Venture shall be treated as notice of claim by every Everen Limited Policyholder that participates in the Joint Venture, and vice versa, for the same occurrence for which the operator or JV participant has given notice.
6. This endorsement may be cancelled by the Named Insured at any time upon written notice to the Underwriter.

Name: _____
Title: _____
Company: _____

Name: _____
Title: _____
Everen Limited

Schedule of Excess Insurance

The definitions of the terms defined in this policy are incorporated by reference into this endorsement.

Subject to Condition G and other terms and conditions of this policy, the following specified insurance or reinsurance policy(ies) or specified coverage(s) or amount(s) of coverage(s) thereunder shall be in excess of this insurance [reinsurance], and this insurance [reinsurance] shall be in excess of any other valid and collectable insurance or reinsurance not specified below:

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This endorsement is effective from theday of....., 20..... until theday of....., 20.....

IN WITNESS WHEREOF, these presents have been executed by the undersigned at Hamilton, Bermuda, this.....day of....., 20.....

EVEREN LIMITED

By _____
Signature and Title of Person Signing