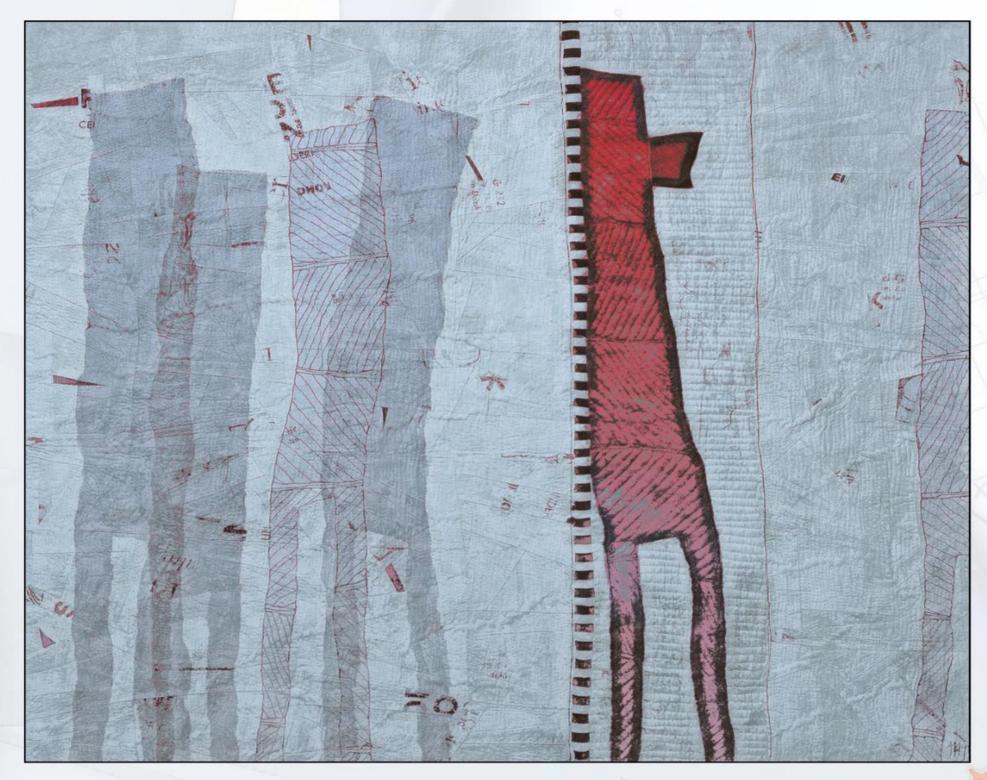
EN/ANI annual report



The walk

Annual Report 2016
of the Board of Directors and
of the Statutory Auditor
to be presented at
the Annual General Meeting on
16th June 2017

Company authorised by Royal Decrees of 20.10.1978 and 07.12.1999
To underwrite "Fire and Natural Hazards", "Other Property Damage" and "Liability"

(Moniteur Belge 14.11.1978 - 29.12.1999 Code 0921)

Registered Office:

Av. Jules Bordet, 166 - B 4
B 1140 Brussels Belgium
Tel: +32 (0)2 702 90 10
Fax: +32 (0)2 705 72 92

Financial Highlights

in euro

years ended December 31

Statement of Earnings	2016	<u>2015</u>	<u>2014</u>	2013	<u>2012</u>
Net premium earned	23.438.978	22.890.993	22.836.670	22.990.326	24.884.212
Claims	-11.246.762	-286.275	-2.624.921	1.513.702	-13.900.142
Expenses	-3.640.421	-3.712.671	-3.414.077	-3.157.549	-2.931.346
Other income	32.630	641	15.868	-12.747	9.910
Net investment result	1.014.327	1.158.390	6.341.961	-534.805	16.312.444
					1
Earnings before distribution to reserve					
for equalisation and catastrophes	9.598.752	20.051.077	23.155.502	20.798.927	24.375.078
Variation in the reserve for			x /	×	
equalisation and catastrophes, net of		3			
reinsurance	-8.550.093	-19.503.347	-16.920.203	-21.389.420	-8.062.631
Taxes	-1.039	-348	-308	-283	0
		2 2			
Earnings after distribution to reserve			\	1	
for equalisation and catastrophes	1.047.620	547.382	6.234.991	-590.776	16.312.444
		z	х)	(X	
Balance Sheet					
Assets	298.849.924	272.136.119	253.910.139	239.000.192	235.522.370
Liabilities	-47.987.712	-30.901.382	-32.746.529	-41.000.824	-58.430.953
Guarantee fund	250.862.212	241.234.738	221.163.611	197.999.368	177.091.415
(including reserve for equalisation and catastro	ophes)				



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Members

AB SVAFO

AREVA NP Inc.
AREVA SA
Axpo Power AG
Axpo Trading AG
Belgoprocess NV
BKW Energie AG
British Energy Ltd
Bruce Power L.P.
BWX Technologies Inc.
Centrales Nucléaires en Participation (CNP)
ČEZ a.s.
Comanche Peak Power Company LLC
EDF

Elektriciteits-Produktiemaatschappij Zuid-Nederland (EPZ NV)

EnBW Energie Baden Württemberg AG EnBW Kernkraft GmbH

ENEL*

Energy Solutions

Eskom Holdings SOC Ltd.

Eurodif Production SA

European Commission - JRC: Geel Site European Commission - JRC: ISPRA Site European Commission - JRC: Karlsruhe Site European Commission - JRC: Petten Site

FBFC International SA Forsmarks Kraftgrupp AB Fortum Power & Heat Oy

Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN)

Gesellschaft für Nuklear-Service mbH (GNS)

Indiana Michigan Power Company Kernkraftwerk Gösgen-Däniken AG

Kernkraftwerk Leibstadt AG

Kernkraftwerk Lippe-Ems GmbH Kernkraftwerk Obrigheim GmbH

MVM Paks Nuclear Power Plant (PAKS)

New Brunswick Power Holding Corp. (NB Power)

Northern State Power Company - Minnesota (NSP-M)

OKG AB

Omaha Public Power District (OPPD)

Ontario Power Generation (OPG)

Pacific Gas & Electric Company (PG&E)

PreussenElektra GmbH

Ringhals AB

RWE Power AG / Gundremmingen

SCK-CEN

Slovenské Elektrárne a.s./ ENEL

Socatri SARL

Societatea Nationala Nuclearelectrica SA (SNN)

South Carolina Electric & Gas (SCE&G)

Studsvik AB

Svensk Kärnbränslehantering AB (SKB)

Sydkraft Nuclear Power AB Teollisuuden Voima Oyj (TVO)

Union Electric Company d/b/a Ameren Missouri

Urenco Ltd

Vattenfall Europe Nuclear Energy GmbH Westinghouse Electric Company LLC Westinghouse Electric UK Holdings Ltd Zwischenlager Würenlingen AG (Zwilag)

^{*} Non insured Members



Member Representatives

Member	Representative	Substitute
Belgium Belgoprocess NV European Commission - JRC: Geel Site FBFC International SA SCK-CEN	P. Lannoy J.P. Michel P. Daurès C. Legrain	R. Lennartz E. Laugier
Canada Bruce Power L.P. New Brunswick Power Holding Corp. (NB Power) Ontario Power Generation (OPG)	K. Kelly A. Slipp D. Tang	J. Lee
Czech Republic ČEZ a.s.	V. Hronek	J. Ortman
Finland Fortum Power & Heat Oy Teollisuuden Voima Oyj (TVO)	M. Kautonen J. Javanainen	M. Huopalainen L. Piekkari
France AREVA SA EDF Eurodif Production SA Socatri SARL	E. Laugier B. Alleman R. Jiménez-Shaw M. Saléra-Cordier	B. Wagner M. Saléra-Cordier R. Jiménez-Shaw
Germany EnBW Energie Baden Württemberg AG EnBW Kernkraft GmbH European Commission - JRC: Karlsruhe Site Gesellschaft für Nuklear-Service mbH (GNS) Kernkraftwerk Lippe-Ems GmbH Kernkraftwerk Obrigheim GmbH PreussenElektra GmbH RWE Power AG / Gundremmingen Vattenfall Europe Nuclear Energy GmbH	E. Wissmann E. Wissmann J.P. Michel H. Näser J. Haaf E. Wissmann S. Kurz J. Haaf T. Hallqvist	C.D. Bölle C.D. Bölle R. Lennartz K. Scheer J. Grundmann C.D. Bölle L. Barchewitz J. Grundmann K. Wanjek

^{*} Non Insured Member



Member Representatives

Member	Representative	Substitute
Hungary MVM Paks Nuclear Power Plant (PAKS)	C. Szinger	
Italy European Commission - JRC: ISPRA Site ENEL *	J.P. Michel G. Frea	R. Lennartz R. Melandri
The Netherlands Elektriciteits-Produktiemaatschappij Zuid-Nederland (EPZ NV) Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN) European Commission - JRC: Petten Site	B.P. Jobse G.J. Geertsema J.P. Michel	R. Lennartz
Romania Societatea Nationala Nuclearelectrica SA (SNN)	P. Budulan	A. Havris
Slovak Republic Slovenské Elektrárne a.s./ ENEL	Z. Šípošová	M. Vandliková
South Africa Eskom Holdings SOC Ltd.	J. Kilani	
Sweden AB SVAFO Forsmarks Kraftgrupp AB	S. Ordéus T. Hallqvist	A. Lundh B. Gullefors
OKG AB Ringhals AB Studsvik AB	R. Danielsson T. Hallqvist T. Samuelsson	A. Sandberg
Svensk Kärnbränslehantering AB (SKB) Sydkraft Nuclear Power AB	A. Ingman P. Sätmark	B. Sundman B. Svensson

^{*} Non Insured Member



Member Representatives

Member	Representative	Substitute
Switzerland Axpo Power AG Axpo Trading AG BKW Energie AG Centrales Nucléaires en Participation (CNP) Kernkraftwerk Gösgen-Däniken AG Kernkraftwerk Leibstadt AG Zwischenlager Würenlingen AG (Zwilag)	T. Erb T. Erb M. Mooser C. Vessiller M. Plaschy T. Erb T. Erb	U. Schwegler
United Kingdom British Energy Ltd Urenco Ltd Westinghouse Electric UK Holdings Ltd	K. Sinclair I. Mance M. Sweeney	A. Russell R. Hermon D. Gries
AREVA NP Inc. BWX Technologies Inc. Comanche Peak Power Company LLC Energy Solutions Indiana Michigan Power Company Northern State Power Company - Minnesota (NSP-M) * Omaha Public Power District (OPPD) Pacific Gas & Electric Company (PG&E) South Carolina Electric & Gas (SCE&G) Union Electric Company d/b/a Ameren Missouri Westinghouse Electric Company LLC	E. Laugier T. Fischer A.J. Akaydin D. Nilsson S. Haynes R. Miller L. Hough J. Markland J. Mellette M. Blair M. Sweeney	L. Harris D. Black S. Barbour L. Groff J. Thurber M. Cannon S. Wibbenmeyer D. Gries

^{*} Non Insured Member



Board of Directors

Alastair Russell
Claus-Dieter Bölle
Bram-Paul Jobse
Rickard Danielsson
Nick Feldman
Gilbert Gould
Riccardo Melandri

Philippe Vandekerckhove Danny Vanwelkenhuyzen Chairman

Vice-Chairman
Vice-Chairman

External Director
External Director

Executive Committee Executive Committee

The external mandates of the Board members can be found on our website.

Advisory Committees

Underwriting Committee

Corinne White
Luca Emilio Agrò
Ivan Annezer
Alisdair Currie
Thomas Erb
Nick Feldman
Veerle Goderis
Alexandru Havris
Heiner Hefti
Lisa Hough
Stefan Kurz
Franck Orset
Kathleen Sinclair
Philippe Vandekerckhove
Danny Vanwelkenhuyzen

Technical Advisory Committee

Gian Luca Noferi Ivan Annezer Michel Buisset Franck Orset Samuli Savolainen Jurgen Oechsler Chairman

Chairman

Advisory Committees

Finance and Investment Advisory Committee

Rafael Jiménez-Shaw Lauri Piekkari Bénédicte Rifaï Annemie Roefs Alastair Russell John W. Thurber Marleen Vercammen

Audit Committee

Gilbert Gould Bram-Paul Jobse Alastair Russell

Risk Committee

Gilbert Gould Tom Houben Bram-Paul Jobse Alastair Russell

Internal Auditor

Willy Gemis

Compliance Officer

Philippe Vandekerckhove

Management

Staff

Danny Vanwelkenhuyzen
Ivan Annezer
Wim Buysse
Alisdair Currie
Véronique Durieux
Wim Gemis
Veerle Goderis
Heiner Hefti
Tom Houben
Cathy Mortelmans
Franck Orset
Annemie Roefs
Philippe Vandekerckhove
Marleen Vercammen
Rachida Zahmidi

Managing Director
Loss Control Manager
Loss Prevention Manager
Underwriter & Claims Manager
Accountant
IT Project Manager
Senior Underwriter
General Manager Swiss Branch
Risk Manager
PA Managing Director & Board
Loss Prevention Engineer
Asset Manager
Assistant Managing Director
Financial Manager
Underwriter

Auditors

Deloitte
Reviseurs d'Entreprise SC sfd SCRL
Gateway Building, Luchthaven Nationaal 1 J
BE - 1930 Zaventem
Represented by
Mr. Rik Neckebroeck

Actuarial function

Nicolaï & Partners Duboisstraat 43 BE - 2060 Antwerpen *Mrs. Veerle Nicolaï*

Letter from the Chairman

Fellow Members

As the world nuclear continues to develop, your mutual EMANI is evolving with it. We have now had notification that some of the German members will depart but we are also seeing new interest from the US and have had applications from a number of prospective US members. This reflects the closer collaborative working relationship with NEIL that has developed over that last two years.

2016 was a more challenging year for the business as Solvency II was implemented but I am pleased to say the solvency ratios leave EMANI well placed. The results of the year were robust despite one significant claim.

In 1999 when Danny took over management of the mutual, EMANI was operating in 8 countries with 32 members. Today, as we move to saying goodbye to Danny at the end of the year, we have 57 members operating in 16 countries. It would be wrong not to thank Danny for his tireless efforts over the years in developing the mutual to a strong place, which benefits us all today. It is no accident that this year's AGM takes place in Montreux, where it all began for Danny.

Thank you all for your continued support of EMANI.

Alastair Russell Chairman of the Board

Description of activities

EMANI is a Mutual insurance Association which offers cover for a wide range of insurance risks relating to nuclear power stations and other companies in the nuclear industry. At present, EMANI offers cover for its Members in Belgium, Canada, Czech Republic, Finland, France, Germany, Hungary, Italy, Romania, The Netherlands, Slovak Republic, South-Africa, Sweden, Switzerland, United Kingdom and USA.

The capacity provided by EMANI is independent of that provided by the various nuclear pools.

The main benefits to Members of EMANI include:

- Additional or alternative insurance capacity for material damage, business interruption, machinery breakdown, terror and erection all risk covers.
- · Potential for contribution savings. Potential for distribution of guarantee fund.
- Loss prevention and engineering evaluations.
- Information exchange and data centre for nuclear insurance matters.

Underwriting & Claims Handling

EMANI's current portfolio is principally based on property damage cover, but our underwriting team is always looking for new ways to support the needs of our Members.

Increasingly EMANI acts as a leading underwriter bringing the advantages of a comprehensive insurance cover and competitive pricing to the Members. If requested to do so by a Member, EMANI can also act as a co-insurer in partnership with the national insurance pools or another insurer.

In the event of a claim where EMANI acts as leading underwriter, the loss settlement shall be done in cooperation with an independent loss adjuster. In cases where EMANI acts as a coinsurer, EMANI will generally follow the recommendations and assessment made by the loss adjuster appointed by the lead underwriter, however in certain cases, the Management will decide whether EMANI should appoint independent adjusters or additional expert advice.

Article 26 of the Articles of Association provides for additional contributions from Members if required to meet claims.

Reinsurance

EMANI purchases reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate.

Management Structure

EMANI is a mutual Association constituted in Brussels under Belgian law and authorised by Royal Decree on 20th October 1978. (MB 14/11/1978)

The strategic management of the Association is the responsibility of the Board of Directors which, except for those powers expressly reserved for the General Meeting, has full managerial authority.

The administration, underwriting, claims handling and day to day management of the Association is the responsibility of the Managing Director together with the Executive Committee.

Membership

Only companies or authorities in the private or public sector of operating / controlling / owning nuclear installations or their representatives can be Members of the Association.

Election of a new Member shall be submitted to the Board of Directors and shall become effective upon approval by the General Meeting.

A new Member shall underwrite at least one insurance policy with the Association and shall unconditionally accept the Articles of Association.

Loss Prevention Services

The EMANI loss prevention engineers, assisted by the Technical Advisory Committee (which is drawn from senior engineering staff from the EMANI Members utilities), shall identify the potential for losses to occur at the Members' property and to control such losses through risk detection and a preventative program.

The loss prevention services provide the Members with detailed reports, customized for the risk involved and in conjunction with the Underwriting team a thorough assessment of each Member's assets is established.

Based on the on-site evaluation, a comprehensive list of suggestions and recommendations is drawn up with a view to improve safety and to prevent or mitigate losses. The reports also assist the Members' management to quantify and develop appropriate measures to minimise their level of risk.

The loss prevention services make an invaluable contribution to the EMANI underwriting process.

Report of the Board of Directors to be presented to the Annual General Meeting of 16 June 2017

Dear Member,

At the close of the 38th financial year, we are pleased to report to you on the business of your Mutual Association and to set out below the balance sheet and the income statement for the year ended 31 December 2016.

The financial statements incorporate the results from the EMANI branch in Switzerland which was established on 7 June 2013 and received a license from the Swiss Regulator "FINMA" dated 30 September 2014.

The Board of Directors of the Mutual Association is responsible for all information contained in the financial statements and other sections of the annual report. The Board considers that the financial statements and related disclosures have been prepared in accordance with generally accepted Belgian accounting principles. These financial statements include amounts that are based on Board's judgement and best estimates.

The Mutual Association maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposal and that the accounting records provide a reliable basis for the preparation of the financial statements.

Deloitte has been engaged, with the approval of Members, as the independent auditor to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. Their report is adjoined to the financial statements.

Capacity

The insurance capacity for Material Damage remained unchanged in 2016 versus 2015 at \in 600.000.000.

The insurance capacity for Terrorism cover also remained at € 600.000.000.

EMANI may commit more than € 600.000.000 on a risk where additional facultative reinsurance is in place and this resulted in one maximum commitment of € 733.743.200

The own retention for Material Damage insurance policies in 2016 was limited to € 241.663.445 , with the exception of one contract to € 262.710.000 , and to € 236.500.000 for Terrorism insurance policies and this compared to € 239.971.000 and € 223.688.000 for the previous year.

Contributions

Contributions written and reinsurance premiums ceded are reflected in earnings on a pro-rata basis over the term of each policy. Unearned contributions represent the portion of contributions written which are applicable to the non-expired terms of the policies in force.

For the purpose of the following calculations, contribution is defined as original contribution less rebate.

Earned gross contributions decreased from € 41.010.250 in 2015 to € 38.518.509 in 2016 and include the contributions from our Swiss members which were written for the second time through the Swiss Branch. This reduction of contributions can be attributed to ongoing site closures in certain countries.

Earned reinsurance cost decreased from € 18.119.258 in 2015 to € 15.079.530 in 2016 and this can be attributed to rate reductions obtained from our treaty reinsurance markets together with an overall reduction in the values being reinsured.

Net earned contributions after reinsurance increased to € 23.438.978 in 2016 versus € 22.890.993 in 2015.

General expenses

General expenses decreased from € 3.712.671 in 2015 to € 3.640.421 in 2016 or minus 1,9% and includes the expenses from our Swiss branch.

Claims

Provisions are made for the estimated cost of incurred losses on the basis of management estimates, based where appropriate on information from Members, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

The total claims result (net of reinsurance) for 2016 is a charge to the income statement of € 11.246.762 which compares to € 286.275 in 2015. This comprises a charge in respect of claims paid of € 1.172.200 (net of reinsurance) of which € 66.147 are in relation to losses arising in 2016. In addition, there is an increase in reserves (net of reinsurance) of € 10.074.562. This increase includes € 10.598.759 new losses occurred in the year 2016.

Investments

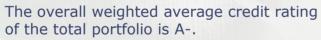
The total book value of the investments and liquid instruments increased from € 254.131.611 at 31 December 2015 to € 273.645.160 at 31 December 2016.

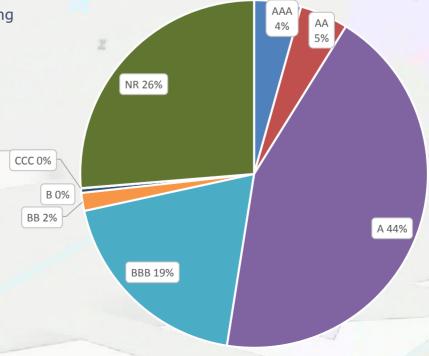
The investment allocation of 30,17 % long term corporate bonds, 55,04% liquid instruments and 14,79% equity at the beginning of the year has changed to 28,83% long term corporate bonds, 42,84% liquid instruments, 14,07% equity and 14,26 % Absolute return funds at 31 December 2016 and resulted in a recorded financial profit of \leqslant 1.014.326. All the investments are recorded at their purchase value and the unrealized gains of \leqslant 14.422.430 are not recorded in the income statement for the current year. Previous year the unrealized gains amounted to \leqslant 9.286.868 .

Book value and estimated fair market value of investments as at 31 December 2016.

Euro	Book value	Unrealized capital gains/(losses)	Market value
Equity investment funds	33.730.306	6.810.470	40.540.776
Absolute Return funds (equity risk)	7.000.000	94.304	7.094.304
Absolute Return funds (bond risk)	34.017.700	(26.832)	33.990.868
Money Market investment funds	64.363.808	40.600	64.404.408
Corporate bond investment funds	80.600.350	7.503.888	88.104.238
Fixed income investment	13.500.000	0	13.500.000
Deposits and cash	40.432.996	0	40.432.996
Total	273.645.160	14.422.430	288.067.590

Credit rating of the investment portfolio as at 31 December 2016.





Country Allocation of the investment portfolio as at 31 December 2016.

AT 0,12% • BE 14,76% • BM 0,02% • CH 1,50% • DE 2,22% • DK 0,35% • ES 2,12% • EU 0,77% • FI 0,15% • FR 24,72% • GB 7,91% • IE 0,59% • IT 1,51% • LU 7,13% • NL 4,71% • NO 0,16% • Europe others 0,81% • US 11,92% • CA 0,30% • AU 0,95% • MX 0,63% • CN 0,57% • JP 0,21% • Asia others 0,35% • AE 0,20% • Africa/Middle East others 0,74% •

Net Investment Income

Euro	2016	2015
Gains/(losses)	311.911	708.452
Interests and dividend securities	85.908	0
Interests term deposits	31.140	131.652
Interests cash and cash equivalents	60.670	20.254
Adjustments to investment values	647.492	360.541
Investment management expenses	-122.795	-62.509
Net investment income	1.014.326	1.158.390

Result

The \leq 9.598.752 surplus for 2016 compares with a \leq 20.051.077 surplus in 2015 (before allocation to reserve for equalization and catastrophes).

The surplus of the year includes the loss of € 1.511 of our Swiss branch.

The technical surplus for 2016 of € 8.550.093 is allocated in accordance with the rules of the Belgian insurance regulator (National Bank of Belgium) to the reserve for equalization and catastrophes.

The Board of Directors recommends to the Annual General Meeting that the surplus of the year be allocated to the guarantee fund for the amount of $\in 1.049.131$ in relation to the Belgian activities and to be carried over in retained earnings for the loss of $\in 1.511$ in relation to the Swiss Branch following the local requirements.

Guarantee Fund

The guarantee fund plus the reserve for equalization now available to the Members for insurance capacity supports amounts of € 250.862.212.

The Mutual Association has acknowledged the resignation of certain members, who will leave following the 5 year notice period. Their current part in the undivided guarantee fund is € 18.761.128.

Recommendations

We propose that you

- Approve the financial statements for the year ended 31 December 2016 as presented
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended 31 December 2016
- Grant discharge to the Statutory Auditor

Chairman of the Board of Directors
On behalf of the Board of Directors

Corporate Governance Report

CORPORATE GOVERNANCE STRUCTURE

EMANI continues to believe that Corporate Governance can be extremely useful and effective in stimulating the use of best governance practices.

All the principles are described in the document "Corporate Governance Memorandum". A yearly revision is desirable to account for the changing legal and cultural environment, the new aspirations of our stakeholders and the conduct of Members, Directors and Staff.

As of the 1st January 2016, being the inception date of the Solvency II regime, EMANI's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Belgian regulations by the local Supervisor. The Solvency Financial condition report (SFCR) can be found on our website.

The relevant principles of governance are applied to the Mutual in the following way:

MANAGEMENT STRUCTURE

The General Meeting has the powers vested in it by Law and by the Articles of Association, without any prejudice to the laws and regulations in force regarding the control of EMANI.

The Board of Directors is the management body who jointly oversees the activities of the Mutual. There are currently ten Board members, six of them are representing the Members, two are external Directors and two members are of the Executive Committee.

All Board members are nominated by the Annual General Meeting for a three-year period and eligible for re-appointment.

The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

The Executive Committee has full authority to undertake the daily management of the Association.

In addition, the Board has appointed specific Advisory Committees being the Risk Committee, Audit Committee, Finance and Investment Advisory Committee and Underwriting Committee. These Committees are composed out of representatives of the Members. All Advisory Committees have charters that explain their purpose and role as well as their responsibilities.

The mission of these Committees is to analyze specific topics, to prepare matters for consideration and recommendation towards the Board. The existence of the Committees does not replace the ultimate responsibility of the Board.

The Board of Directors and the Committees meets as frequently as the interests of the Mutual requires. For instance, the Board meets normally four times a year. Minutes are kept of every meeting.

In line with the requirements applicable in the fit and proper policy, both Board of Directors and Committees performs annually a self-assessment.

OPERATIONAL STRUCTURE AND KEY FUNCTIONS

The scope of work of the Internal Auditor, is to determine whether EMANI's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and sufficient.

The Compliance Officer acts as an adviser close to the management to take measures within the scope of the integrity policy and ensure the development of the deontology of the Mutual.

The Board of Directors and Executive Committee decide on the risk strategy and design of the risk structure. The Risk Manager, deploys practices to identify, assess, monitor and mitigate various risks to EMANI's business.

EMANI is required by Belgian Law to have a mathematic investigation made by an Actuary to assess the risk in contribution and claim liabilities in respect of insurance policies.

In accordance with Articles 44, 46, 47 and 48 of Solvency II Directive, the Mutual has implemented the following key functions: risk management function, compliance function, internal audit function and actuarial function. Each key function discloses a report as well as for the year to come a plan and are in direct contact with the Board of Directors.

All key functions have a separate policy explain their role and responsibilities. Each key function need to comply with the fit & proper policy and conduct a self-assessment. In case the key function is outsourced, a check is performed to comply with the guidelines of the outsourcing policy.

MONITORING AND CORRECTIVE ACTIONS

The Mutual has internal procedures which provides practical guidance for all staff (1st line of defense).

The second line of control performed by the risk management function & compliance function, assures the follow-up of the control of the risks and that corrective actions are taken.

The internal auditor reports to the Audit committee on the effectiveness of the procedures as 3rd line of defense.

In achieving its business objectives, EMANI emphasizes the adherence to the highest standards of business integrity and ethics, as well as the respect of and compliance with all applicable national and supra-national laws and regulations.

Employees have the obligation to inform rightful concerns or threats on violation of these values and codes and on the subject of unethical or unlawful behavior to the management. Denunciators will be protected against any disciplinary measures.

EMANI has also put in place efficient and transparent procedures for handling complaints. Complaints are considered a vital and essential source of information to improve our internal control systems. Therefore, they are recorded and handled accordingly.

Concerning the IT-infrastructure, a Continuity Policy and implementation process including proper securities is in place. The IT-department certifies that security, privacy and all other IT management requirements are adequately addressed by the cloud computing vendor.

Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2016

As required by law and the association's articles of association, we report to you in the context of our appointment as the association's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2016 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

Report on the annual accounts - Unqualified opinion

We have audited the annual accounts of European Mutual Association for Nuclear Insurance Association d'Assurance Mutuelle ("the association"), prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 298.850 (000) EUR and a profit for the year of 1.048 (000) EUR.

Board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts, The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the association's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the association's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the annual accounts of European Mutual Association for Nuclear Insurance Association d'Assurance Mutuelle give a true and fair view of the association's net equity and financial position as of 31 December 2016 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, as well as for maintaining the association's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the association's compliance with the Companies Code and the association's articles of association.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- The director's report, prepared in accordance with articles 95 and 96 of the Companies Code and to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law, is consistent with the annual accounts and is free from any material inconsistencies with the information that we became aware of during the performance of our mandate.
- The social balance sheet, to be filed in accordance with article 100 of the Companies Code, includes, both in form and in substance, the information required by law and is free from any material inconsistencies with the information available in our audit file.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the association's articles of association,
- There are no transactions undertaken or decisions taken in violation of the association's articles of association or the Companies Code that we have to report to you,

Zaventem, 12 May 2017

The statutory auditor

DELOITTE Bedijfsrevisoren / Reviseurs d'Entreprises

BV o.v.v.e. CVBA / SC s.f.d SCRL Represented by Rik Neckebroeck

Mules

Balance sheet as of 31 December 2016 and 2015 (Currency - Euro)

ASSETS	31/12/2016	31/12/2015
C. Investments III. Other financial investments 1. Parts in investment funds 2. Bonds and other fixed interests 6. Term deposits with financial institutions	219.712.165 13.500.000 20.200.707 253.412.872	184.080.765 13.000.000 31.218.240 228.299.005
D. bis. Part of reinsurance in the technical reserves I. Reserve for non-earned premiums and current risks III. Reserve for claim receivable IV. Reserve for profit sharing and refunds	2.737.273 19.084.292 0 21.821.565	2.691.252 11.836.534 0 14.527.786
E. Receivables I. Receivables resulting from direct insurance 1. Insurers 2. Intermediaries of insurers II. Receivables resulting from reinsurance III. Other receivables	692.825 7.753 2.030.114 86.582 2.817.274	745.672 93.507 2.022.005 74.962 2.936.146
F. Other assets I. Tangible Assets II. Liquidities	220.493 20.232.288 20.452.781	246.637 25.832.606 26.079.243
G. Transitory accounts I. Interest and rent	345.433 345.433	293.939 293.939
TOTAL ASSETS	298.849.924	272.136.119

Balance sheet as of 31 December 2016 and 2015

(Currency - Euro)

LIABILITIES	31/12/2016	31/12/2015
A. Equity		
I. Subscribed capital or equivalent fund, net of		/
uncalled capital		
1. Guarantee fund securities	92.030.572	90.951.681
5. Retained earnings	-89.461	-87.950
	91.941.112	90.863.731
C. Technical reserves	\	50
I. Reserve for unearned premiums and for unexpired	0.705.500	0.265.240
risks	8.725.509	8.365.240
III. Reserve for claims payable	37.043.633	19.721.314
V. Reserve for egalisation and catastrophies	158.921.100 204.690.242	150.371.007 178.457.560
	204.090.242	1/6.45/.500
G. Payables		
I. Payables resulting from direct insurance business	26.125	278.745
II. Receivables resulting from reinsurance business	715.304	369,288
V. Other payables	\	
1. Fiscal and Social payables	1	1
a) Taxes	0	.0
b) Social payables	309.852	269.176
2. Other	133.146	133.510
	1.184.427	1.050.719
H. Transitory accounts	1.034.144	1.764.109
1. Transitory accounts	1.034.144	1.764.109
	1.054.144	1.704.105
TOTAL LIABILITIES	298.849.924	272.136.119

The accompanying notes are an integral part of this balance sheet.

Income Statement as of 31 December 2016 and 2015

(Currency - Euro)

			~		
				31/12/2016	31/12/2015
1.	Earned premiums, net of reinsurance a) Gross premiums • Premiums written • Rebates to Members	38.957.204 -78.427	39.235.927 -27.292	38.878.777	39.208.635
	b) Reinsurance premiums	-/0.42/	-27.292	-15.125.551	-17.520.706
	c) Variation of the reserve for unearned premiums gross of reinsurance (increase -, decrease +)	and unexpired	risks,	-360.269	1.801.615
	d) Variation of the reserve for unearned premiums reinsurers part (increase +, decrease -)	and unexpired	risks,	46.021	-598.552
				23.438.978	22.890.993
	b) Income from other investments c) Write-back of adjustments on investments d) Realized capital gains		x x	177.718 647.492 382.783 1.207.993	151.906 360.541 781.322 1.293.769
3.	Other technical income net of reinsurance		K.	32.630	641
	Costs of claims, net of reinsurance (-) a) Net amount paid aa) Gross amount bb) Part of reinsurers b) Variation of the claims services reserve, net of i	-3.749.834 2.577.634 reinsurance (in	-1.080.887 786.414 acrease -,	-1.172.200	-294.473
	decrease +) aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +) bb) Variation of the reserve for claims, part of reinsurance (increase -, decrease +)	-17.322.320 7.247.758	-1.301.351 1.309.549	-10.074.562	8.198
				-11.246. 7 62	-286.275
	ost of refund of contribution, net of reinsurance (-) a) Net amount paid b) Variation of the refunds reserve, net of reinsura (increase -, decrease +)		X	0 0 0	0

Income Statement as of 31 December 2016 and 2015

(Currency - Euro) - continued -

	31/12/2016	31/12/2015
7. Net operating expenses (-)		
a) Acquisition expenses	-122.949	-121.999
c) Administrative expenses	-3.517.472	-3.590.672
	-3.640.421	-3.712.671
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-122.795	-62.509
b) Adjustments to investment values	0	0
c) Realized less values	-70.872	-72.870
	-193.666	-135.379
8. Other re-insurance charges	* 0	0
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR		
EGALIZATION AND CATASTROPHES	9.598.752	20.051.077
9. Variation in the reserve for egalization and catastrophes, net of		
reinsurance (increase -, decrease +)	-8.550.093	-19.503.347
Surplus/(Deficit)	1.048.659	547.730
Sui pius/ (Dericit)	1.040.039	347.730
15. Taxes	-1.039	-348
Surplus / (Deficit) of the period available for distribution	1.047.620	547.382

The accompanying notes are an integral part of these income statements.

(Currency - Euro)

1. ACTIVITY OF THE ASSOCIATION AND SUMMARY OF THE MAIN ACCOUNTING PRINCIPLES

The purpose of the Association is to indemnify those of its insured members that have suffered property and/or business interruption damage to their nuclear installations and/or contents thereof. In certain cases the Association also insures non-nuclear risks.

During the year 2016 the total insurance capacity of E.M.A.N.I for Material Damage. was 600.000.000 EUR of which:

- 16% of the first 5.000.000 EUR is reinsured by way of "quota share" contracts;
- 23,72% of the following 95.000.000 EUR, in excess of 5.000.000 EUR, is reinsured by way of "quota share" contracts:
- 59,28% of 500.000.000 EUR in excess of 100.000.000 EUR is reinsured by way of "excess of loss" (for first and second loss) and 7,72% by way of a guota share contract (for each and every loss).

The risk for E.M.A.N.I. is thus limited to 241.663.445 EUR for a first loss and 241.663.445 EUR for a second loss during the year 2016.

For one insurance contract however EMANI's own risk was 262.710.000 €.

During the year 2016 the total insurance capacity of E.M.A.N.I. for terrorism is 600.000.000 EUR of which:

- 62,80% of 125.000.000 EUR is reinsured by way of "quota share" contracts (idem for a first and second loss);
- 37,50% of 250.000.000 EUR in excess of 125.000.000 EUR is reinsured by way of "excess of loss" contracts (idem for a first and second loss);
- 85% of 225.000.000 EUR in excess of 375.000.000 EUR is reinsured by way of "excess of loss" contracts (idem for a first and second loss).

The risk for E.M.A.N.I. for terrorism is thus limited to 236.500.000 EUR for a first loss and 236.500.000 EUR for a second loss during the year 2016.

EMANI may commit more than 600.000.000 EUR on a risk where additional facultative reinsurance is available to cover the increased share.

The accounting principles of E.M.A.N.I. can be summarized as follows:

a. Overview of the amortization rates applied

Other assets – tangible fixed assets	Per year
Installations, electronic equipment and office tools	33,33%
Software (upon evaluation executive committee by project)	20% or 33,33%
Furniture	10%
Vehicles	20%

(Currency - Euro) - continued -

b. Foreign currency translation

The company maintains its accounts in Euro (EUR) and the annual accounts are expressed in this currency.

The foreign currency denominated accounts , on the balance sheet, are converted in Euro using the exchange rate as of the balance sheet date.

The foreign currency denominated accounts, of the income statement, are converted into Euro on a monthly basis using the exchange rate in force at the end of the previous month as proxy for the daily foreign exchange rate over the related month.

All exchange gains and losses are recorded in the income statement, as foreign exchanges revenues and charges.

c. Integration of the Swiss branch

The integration of assets and liabilities of branches in foreign currencies:

The assets and liabilities of the branch in foreign currency are integrated at closing rate of the period, while the income statement is converted at prevailing average foreign exchange rate of the related period. The difference is recorded in foreign exchange revenues and charges in the income statement.

d. Technical provisions

The association constitutes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, unreleased members' rebates relating to an expired policy, claims payable increased with best estimate of the internal and external claim handling costs and the reserve for egalisation and catastrophes in accordance with Articles 10 and 11 of the Royal Decree of 22 February 1991.

e. Fixed income securities

The fixed income securities (straight and convertible bonds) are valued at their acquisition cost. The incidental costs are expensed as incurred.

The differences, if material, between acquisition cost and redemption value of the securities are amortized pro rata to maturity of the securities. Unless the intention of the association is to sell the securities in the short term, no adjustment is booked to reflect the market value if this market value is below the net book value determined according to the method described above. Reduction in value on fixed income securities shall be recorded in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised

f. Shares and other non-fixed income securities

Shares and other non-fixed interest securities are recorded at acquisition cost. The incidental costs are expensed as incurred. Unrealised losses are recorded if the Board of Directors evaluates that there is a permanent less value on those securities. Such less values are recorded in the income statement.

g. Foreign exchange rate contracts

The foreign exchange rate contracts are converted in Euro using the exchange rate as of the balance sheet date.



(Currency - Euro) - continued -

2. GUARANTEE FUND

The Board of Directors proposes to the Annual General Meeting to allocate 1.049.131 EUR, the surplus of the year 2016, to the Guarantee Fund. Note that the result of the year 2016 of the Swiss Branch will not be transferred to the Guarantee Fund, but will be reported separately as retained earnings (1.511 EUR).

The evolution of the Guarantee Fund over 2016 is as follows:

Guarantee fund at 31 December 2016	92.030.572
Dotation of new members	29.760
Transfer of the surplus of the year (exclusive Swiss Branch)	1.049.131
Guarantee fund at 31 December 2015	90.951.681

The evolution of the retained earnings over 2016 is as follows:

Retained earnings 31 December 2015 (Swiss Branch)	-87.950
Transfer of the loss of the year (Swiss Branch)	-1.511
Retained earnings at 31 December 2016 (Swiss Branch)	-89.461

3. RESERVE FOR EGALISATION AND CATASTROPHIES

In application to Article 11, §1, 3° of the Royal Decree dated 22 February 1991 on the general rules on the control of insurance companies. The Mutual Association started in 1996 to build a reserve for egalisation and catastrophes. The purpose thereof is to create a reserve that would smooth out variations in claims or would cover exceptional risks. Based on the current regulations, the theoretical target amount that should be provided for within the Mutual Associations' egalisation and catastrophes reserve is 262.710.000 EUR. The yearly movement however depends on the income or loss of the Mutual Association before (net) investment income (exclusive the income from the Swiss branch). An income results in an addition to the reserve for the amount of the income, and a loss results in a usage of the reserve for the amount of the loss. The application of this rule resulted in an addition of 8.550.093 EUR for the year 2016 which brings the total of the reserve up to 158.921.100 EUR.

(Currency - Euro) - continued -

It should however be noted that at the end of 2016 the guarantee fund amounts to 91.941.112 EUR and can also be used to cover the obligation of the Association. Furthermore the unrealised gains on investments at 31/12/2016 amount to 14.422.430 EUR and also could be realised in case of catastrophe. Additionally, the Association may call under certain circumstances for additional funds of the members (article 26 of articles of the bylaws) to be used to cover its obligations.

4. MANAGEMENT

The investment management of the Association has been outsourced. The investment management fee is included in the net asset value of the investment funds except for Blackrock SA for which we registered 22.528 EUR under Expenses for managing investments.

The broker reinsurance handling fee amounts to 376.181 EUR for the year 2016 and 547.655 EUR for 2015.

Reinsurance commissions refunded to E.M.A.N.I. are 433.222 EUR for 2016 and 469.895 EUR for the year 2015 and are deducted from the reinsurance premium charges.

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EUROPEAN MUTUAL ASSOCIATION FOR NUCLEAR INSURANCE

MUTUAL INSURANCE ASSOCIATION

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