

Attachment 2

**The 2017 Annual Report of the CENG Independent Nuclear Advisory
Committee to the CENG Board of Directors
(Non-Proprietary)**

**The 2017 Annual Report of the CENG
Independent Nuclear Advisory Committee
To the CENG Board of Directors**

December 11, 2017

**MEMBERS OF THE 2017
NUCLEAR ADVISORY COMMITTEE**

**Richard Meserve, Chairman
James Asselstine**

**The CENG Independent Nuclear Advisory Committee
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I. INTRODUCTION AND SUMMARY

The independent Nuclear Advisory Committee (the “NAC”) was originally established through the execution of the Constellation Energy Nuclear Group, LLC (“CENG” or the “Company”)¹ Second Amended and Restated Operating Agreement (the “Agreement”) dated November 6, 2009. Section 7.5 of the Agreement, as well as the Third and Fourth Amended and Restated Operating Agreements (dated March 12, 2012 and April 1, 2014, respectively), generally set forth the roles and responsibilities of the NAC from inception through 2017.^{2,3}

Based on the activities of the NAC during 2017 (through the date of this report), the NAC advises the CENG Board of Directors (the “Board”) and the Nuclear Regulatory Commission (the “NRC”) that nothing came to the NAC’s attention that would cause the NAC to advise the Board or the NRC that either:

1. Additional measures should be taken to ensure that the Company is in compliance with U.S. laws and regulations regarding foreign ownership,

¹ Reference to CENG throughout this report is intended to include Constellation Energy Nuclear Group LLC, its subsidiaries and affiliates.

² In accordance with the Agreement, the NAC issued two reports to the Board on December 15, 2010, and December 14, 2011. In accordance with the 2012 Amended Agreement, the NAC issued two reports to the Board on December 17, 2012, and December 9, 2013. The NAC issued its reports under the 2014 Amended Agreement on December 8, 2014; December 8, 2015; and December 12, 2016.

³ The roles and responsibilities of the NAC, as well as the procedures for the conduct of the NAC’s activities, are generally set forth in the operating agreements, and more specifically outlined in the NAC Charter that was in effect for 2017 (see Section III of this report for further discussion of the NAC Charter).

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control or domination of nuclear operations, or to ensure that a decision of a foreign government could not adversely affect or interfere with the reliable and safe operations of any nuclear assets of the Company; or,

2. Additional policies should be implemented to prudently assure the Company's continued compliance with provisions of U.S. law and regulations regarding (i) nuclear security plans, including physical security and cyber security; (ii) screening of nuclear personnel; (iii) protection of critical nuclear infrastructures; and (iv) U.S. export regulations.

In addition, the NAC did not identify any significant foreign ownership, control or domination matters that might necessitate the NAC to report such matters directly to the NRC or any other governmental agency. Finally, the NAC did not identify any actions in which foreign interests exercised foreign ownership, control, or domination over the licensed activities of the Company's licensed entities, and that no action taken by a foreign interest involved with licensed activities was inimical to the common defense and security of the United States of America.⁴

II. SCOPE OF THE REPORT

Section 7.5 of the 2014 Fourth Amended and Restated Operating Agreement (the "2014 Amended Agreement") describes the purpose and responsibilities of the NAC.⁵

This report to the Board and the NRC provides an overview of the activities of the NAC

⁴ As of the date of this report, all CENG 2017 Board Resolutions (votes) were unanimously approved, negating the need for the Board Chairman's casting vote.

⁵ Exhibit I contains the content of Section 7.5 of the 2014 Fourth Amended and Restated Operating Agreement.

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during 2017 (through the date of this report), as well as the observations of the NAC regarding any foreign ownership, control or domination (“FOCD”) issues and the status of the Company’s ability to respond to such issues.

During the 2017 NAC reporting year, all operating, licensing and regulatory activities of the three CENG owned nuclear generating stations (the “CENG stations”) were the responsibility of Exelon Generation Company, LLC. (“ExGen”).⁶ As a result of the complete integration of the CENG organization into the ExGen organization and the operation of the CENG stations by ExGen, the risk of a decision of a foreign government to influence the safe, secure and reliable operations of the CENG stations is limited. Therefore, the scope of the 2017 activities of the NAC reflected this reduced risk of potential FOCD over the operations of the CENG stations.⁷

III. THE 2017 CENG NAC CHARTER

The NAC Charter that guided the activities of the NAC in 2017 is attached as Exhibit II to this Report. The Charter’s key Operating Principles contain the same or

⁶ Effective March 12, 2012, Constellation Energy Group, Inc. was merged into Exelon Corporation (“Exelon”) which transferred its ownership interest in CENG to Exelon Generation Company, LLC, (or ExGen) a wholly owned subsidiary of Exelon. The NRC approved ExGen’s application to transfer the operating licenses for the CENG stations from CENG to ExGen in March 2014; ExGen assumed all operating, licensing and regulatory responsibilities for the CENG stations on April 1, 2014. In July 2014, all remaining CENG employees became employees of ExGen.

⁷ CENG and Exelon management independently confirmed that during 2017 no changes were made to the CENG and ExGen organizations that altered ExGen’s responsibility for operating the CENG stations.

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very similar language as the 2014 Amended Agreement.⁸ However, the Charter also provides authority to the NAC to report directly to the NRC, or any other governmental agency, significant unresolved FOCD matters that might come to the NAC's attention. Specifically, the Charter states:

“If, in the course of executing its responsibilities, the Advisory Committee learns of unresolved significant matters resulting or that could result from, FOCD, and which are or could be at variance with U.S. law or regulation, or discovers unresolved significant matters that interfere or could interfere with the safe, secure and reliable operations of the nuclear assets of the company, its subsidiaries, or its affiliates, the Advisory Committee is authorized to report these matters directly to the NRC or other appropriate U.S. governmental agency without first seeking authorization from the Company to do so.”⁹

The NAC members for 2017 are Richard Meserve (Chairman) and James Asselstine.¹⁰

IV. THE FOUNDATION FOR THE CENG NAC'S OBSERVATIONS AND CONCLUSIONS

The observations and conclusions of the NAC contained in this report are primarily formulated from the information and analyses obtained from the following three sources. First, the annual NAC meeting was held on August 22, 2017. During

⁸ The NAC Charter provisions which are similar to the provisions of the 2014 Amended Agreement are not duplicated in this section of the Report.

⁹ The NAC Charter at pp. 2 and 3.

¹⁰ The members of the NAC are U.S. citizens who are not officers, directors or employees of the Company, EDF Inc., Constellation Nuclear, LLC, CE Nuclear, LLC, or Exelon Corporation.

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that meeting the NAC received an update from CENG and ExGen management regarding the principal activities of the Company relating to operational, financial, regulatory and legal matters.¹¹

The second source of information the NAC has considered in preparation of the 2017 report is the information the NAC members obtained when attending and observing the 2017 Board meetings. A member of the NAC, or their designee, attended each of the Board meetings (in person or by phone) between December 2016 and the date of this report.¹² In addition to providing relevant insights to the Board during those meetings, the NAC members reported their observations, conclusions and perceptions to the NAC after each Board meeting. The knowledge gained at the Board meetings in turn enhanced the NAC's insight into important Company issues, the working relationships among Board members, and the working relationships among the Board, CENG, and ExGen management personnel.¹³

¹¹ See Section V of this report for a summary of the NAC meeting.

¹² A member of the NAC is scheduled to attend the final 2017 Board meeting on December 12, 2017.

¹³ During the Board meetings, the NAC observed discussions between ExGen and EDF board members concerning CENG fleet performance and operating issues (SCRAMS and other plant performance), financial performance (budgets, forecasts, cash flow, liquidity), the adoption of various resolutions, fuel procurement policies, updates on regulatory approval regarding clean energy standards, and the status of the Westinghouse Corporation bankruptcy.

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The final primary source of information the NAC has considered in formulating the conclusions presented herein is a limited review performed by Navigant Consulting Inc. (“NCI”)¹⁴ on behalf of the NAC concerning potential FOCD events. The NCI review was performed primarily through discussions/interviews with CENG and ExGen management personnel on matters such as CENG operations,¹⁵ changes in operating practices and procedures, the operations of Board Committees, the exchange of information between CENG and EDF, the potential for FOCD to occur, and other relevant topics. Additionally, NCI reviewed relevant documents provided to the NAC by CENG and ExGen. NCI discussed the results of its review with the members of the NAC.

¹⁴ Navigant Consulting Inc. is an international consulting firm. Senior members of this firm with significant nuclear power experience provided assistance to the NAC during 2017. A member of NCI also participated in the 2017 NAC meeting.

¹⁵ NCI spoke with J. Bradley Fewell (Senior Vice President Regulatory Affairs and General Counsel, ExGen), Jeanne Jones (Chief Financial Officer, Exelon Nuclear), Chris Mudrick (Chief Operating Officer, CENG), and Darani Reddick (Regulatory Affairs Manager & Assistant General Counsel, ExGen).

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V. 2017 CENG MANAGEMENT ACTIVITIES REVIEWED BY THE NAC

The NAC has completed its 2017 review of CENG management's activities. The briefing the NAC received this year and the other sources of information obtained by the NAC as described above centered primarily on the operations of CENG, the CENG stations, and the activities of the Board.

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[REDACTED]

[REDACTED]

Also at the meeting, a member of the ExGen General Counsel's office provided the NAC with a legal analysis as to any potential FOCD issues, domestic import and export regulation matters, and the impact of other applicable laws and regulations on the activities of CENG. During this discussion, the NAC was advised of any actual or pending changes in FOCD related laws and regulations during 2017 for the NAC members' consideration in completion of their 2017 activities. As an example, the NAC was updated on the draft revised FOCD Standard Review Plan and new FOCD Regulatory Guide. The discussion of the FOCD Standard Review Plan included information regarding the graded negation action plan criteria and industry comments regarding the proposed Plan. CENG and ExGen personnel agreed to bring any additional developments related to these or other NRC FOCD policy issues to the attention of the NAC on a timely basis.

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VI. CONCLUSIONS AND OBSERVATIONS

The NAC has completed its 2017 responsibilities to the CENG Board under the 2014 Amended Agreement and the NAC Charters. Those responsibilities generally include determining whether additional measures need to be undertaken by CENG to:

1) ensure the Company's compliance with U.S. laws and regulations regarding FOCD over the nuclear assets of the Company; and, 2) ensure that action by a foreign government would not adversely impact the reliable and safe operation of the Company's nuclear assets.¹⁸ Based on the work undertaken by the NAC during 2017, the NAC finds that nothing has come to the attention of the NAC members that would require the Company to take additional measures to ensure compliance with U.S. laws and regulations regarding FOCD over the CENG stations (the nuclear assets) or the reliable and safe operation of those nuclear assets. Also, the NAC has not identified any significant matter or matters that could potentially affect the safe, secure, or reliable operation of the Company's nuclear assets that would require an independent reporting to the NRC or another U.S. governmental agency.¹⁹

¹⁸ The NAC conclusions and observations also specifically apply to the U.S. laws and regulations regarding nuclear security plans, screening of nuclear personnel, the protection of critical nuclear infrastructure and U.S. export regulations.

¹⁹ It should be noted that the determination of the significance of a potential FOCD matter remains with the experience and judgment of the NAC and its evaluation of the matter. The facts, circumstances, risks,

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Finally, the NAC reviewed the records of all 2017 CENG Board votes and did not identify any actions where foreign interests exercised foreign ownership, control or domination over the licensed activities of the Company's licensed entities, and that no action taken by a foreign interest involved with licensed activities was inimical to the common defense and security of the licensed entities.²⁰

As noted above, the managements of CENG and ExGen have regularly brought significant or material issues related to the NAC's Charter to the NAC for its review, consideration, and evaluation. The NAC remains sensitive and alert to the possibility that the concerns of the CENG parents over CENG operating and financial performance could result in unintended influences on the operations of the existing CENG nuclear assets. As a result, the NAC has requested that it be advised in a timely fashion by management of the receipt of any directives from EDF that could be potentially perceived as adversely affecting the operations of the Company. The NAC urges management to continue to be sensitive to the issues of interest to the NAC and to continue to bring potentially relevant issues to the NAC's attention as the NAC

and numerous other issues associated with such a matter would need to be fully reviewed by the NAC to determine the significance of the matter and the need for reporting to the NRC or another governmental agency.

²⁰ During 2017 and through the date of this report, all Board Resolutions (votes) were unanimously approved, negating the need for the Board Chairman's casting vote.

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continues to execute its FOCD oversight responsibilities for the Board and the NRC. The NAC is pleased with both the responsiveness of management to the NAC's issues of interest and the full and constructive support that CENG and ExGen managements have provided to the NAC throughout the year.

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EXHIBIT I

Section 7.5 of the 2014 Fourth Amended and Restated Operating Agreement

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**Section 7.5 of the
2014 Fourth Amended and Restated Operating Agreement**

At least annually, the NAC shall prepare a report and supporting documentation to be delivered to the Board of Directors, which report shall advise the Company as to whether additional measures should be taken to ensure that the Company is in compliance with U.S. laws and regulations regarding foreign domination or control of nuclear operations and that a decision of a foreign government could not adversely affect or interfere with the reliable and safe operation of any nuclear assets of the Company, its Subsidiaries or Affiliates;”²¹

“The NAC shall prepare an Annual Report regarding the status of foreign ownership, control, or domination of the licensed activities of power reactors under the control, in whole or part, of the Company. The Report shall be submitted to the NRC within 30 days after completion of the Report, or by January 31 of the year following the date of the Report (whichever occurs first).”²²

“Records of all votes by EDF²³, or its representatives, on the Company’s Board of Directors and the use of the Chairman’s casting vote will be sent to the NAC and shall be reviewed by the NAC to ensure that no foreign interests have exercised foreign ownership, control, or domination over the licensed activities of the Company’s licensed entities, and that no

²¹ The Constellation Energy Nuclear Group, LLC, Fourth Amended and Restated Operating Agreement, dated as of April 1, 2014, at p. 44.

²² Ibid.

²³ The reference to EDF refers to EDF Inc., (a wholly owned subsidiary of Electricite’ de France S.A.), and one of the two CENG joint venture partners.

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action taken by a foreign interest involved with licensed activities is inimical to the common defense and security.”²⁴ and,

“The NAC will advise on and recommend appropriate additional policies to prudently assure the Company’s continued compliance with provisions of U.S. law and regulations regarding (i) nuclear security plans, including physical security and cyber security; (ii) screening of nuclear personnel; (iii) protection of critical nuclear infrastructures; and (iv) U.S. export regulations.”²⁵

²⁴ The Constellation Energy Nuclear Group, LLC, Fourth Amended and Restated Operating Agreement, dated as of April 1, 2014, at p. 44.

²⁵ Ibid.

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EXHIBIT II

THE NAC CHARTER

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**Charter
Independent Nuclear Advisory Committee
Constellation Energy Nuclear Group, LLC**

As provided for in the Fourth Amended and Restated Operating Agreement (“Operating Agreement”) of Constellation Energy Nuclear Group, LLC, a Maryland limited liability company (the “Company”), the Company has established an independent Advisory Committee (“Advisory Committee”). The principal purposes of the Advisory Committee are to:

- Provide transparency to the U.S. Nuclear Regulatory Commission (“NRC”) and other U.S. government authorities regarding issues related to foreign ownership, control or influence (“FOCI”) over nuclear operations planned and conducted by the Company.
- Advise and make recommendations to the Company’s Board of Directors (“Board of Directors”) whether measures additional to those already in place should be taken to ensure that i) the Company is in compliance with U.S. laws and regulations regarding FOCI including those related to non-proliferation and fuel cycle matters, and ii) action by a foreign government or foreign corporation could not adversely affect or interfere with the reliable and safe operations of the nuclear assets of the Company its subsidiaries and affiliates (i and ii, collectively, the “Foreign Control Compliance Matters”), and to provide reports and supporting documentation to the Board of Directors and the Nuclear Regulatory Commission relating to such Foreign Control Compliance Matters on at least an annual basis.

OPERATING PRINCIPLES

The Advisory Committee is non-voting and strictly advisory in nature. Responsibility for the management of the Company's business and affairs rests solely with the Board of Directors, to whom the Advisory Committee reports.

The Advisory Committee shall deliver an annual—or more frequent if deemed necessary by either the Advisory Committee or Board of Directors—report and

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supporting documentation to the Board of Directors regarding Foreign Control Compliance Matters that advises the Company whether additional measures should be taken to ensure:

- The adequacy of measures taken by the Company to continue to comply with U.S. laws and regulations regarding FOCI of the Company, and over the nuclear assets of the Company, its subsidiaries and affiliates, focusing on i) nuclear security plans, including physical security and cyber security; ii) screening of nuclear personnel; iii) protection of critical nuclear infrastructure; and iv) U.S. export regulations; and
- The adequacy of measures taken by the Company to ensure that a decision by a foreign government or foreign corporation could not adversely affect or interfere with the reliable and safe operations of the nuclear assets of the Company, its subsidiaries, or its affiliates;

In evaluating the above Foreign Control Compliance Matters, the Advisory Committee will consider, *inter alia*, the following:

- All U.S. laws and regulations relating to U.S. control of nuclear facilities owned by the Company;
- All aspects of FOCI that could adversely affect the safe or reliable operation of a nuclear facility including, but not limited to:
 - Implementation or compliance with any NRC generic letter, bulletin, order, confirmatory order, or similar requirement issued by the NRC;
 - Prevention or mitigation of a nuclear event or incident or the unauthorized release of radioactive material;
 - Placement of a plant in a safe condition following any nuclear event or incident;
 - Compliance with the Atomic Energy Act, the Energy Reorganization Act, or any NRC rule;
 - The obtaining of or compliance with a specific license issued by the NRC and its technical specifications; and

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- Compliance with a specific Final Safety Analysis Report, or other licensing basis document.
- All aspects of FOCI that could adversely affect the security of a nuclear facility including, but not limited to, those aspects under the jurisdiction of the U.S. Department of Homeland Security, U.S. Department of Justice, and the NRC.
- Records of all votes by EDF Inc., or its representatives, on the Board of Directors and the use of the Chairman's casting vote to ensure that no foreign interests have exercised foreign ownership, control, or domination over the activities of the Company's NRC-licensed facilities, and that no action taken by a foreign interest involved with the licensed activities is inimical to the common defense and security of the United States.

If, in the course of executing its responsibilities, the Advisory Committee learns of unresolved significant matters resulting or that could result from FOCI, and which are or could be at variance with U.S. law or regulation, or discovers unresolved significant matters that interfere or could interfere with the safe, secure and reliable operations of the nuclear assets of the Company, its subsidiaries, or its affiliates, the Advisory Committee is authorized to report these matters directly to the NRC or other appropriate U.S. governmental agency without first seeking authorization from the Company to do so. Prior to such reporting, if deemed reasonably feasible and appropriate by the Advisory Committee, the Advisory Committee shall notify the Board of Directors so as to ensure that i) the Board of Directors is aware of the unresolved significant matter and Advisory Committee's intent to report, and ii) the Company has not in fact resolved such significant matter.

The Advisory Committee may, after notifying the Board of Directors, meet with the NRC or other U.S. government agencies to explain its authority, the terms of this Charter, and the Company's Operating Agreement and any additional responsibilities it has undertaken in the role it has been assigned. The Advisory Committee shall not, however, make any representations or statements on behalf of the Company, its parents, affiliates and subsidiaries – whether for public relations purposes or otherwise – without first securing written permission from the Company or appropriate parent, affiliate or subsidiary.

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To execute its responsibilities, the Advisory Committee will have the power and authority, at the Company's reasonable expense, to retain outside consultants, lawyers, and accountants, delegate matters to Company personnel and otherwise do such other acts as are reasonably necessary or advisable to carry out such responsibilities. The Advisory Committee will, when reasonably requested by the Board of Directors or the committee of the Board of Directors authorized to act on behalf of the Board of Directors (the "Board Committee"), provide justification of the need for the services of and the expenses for such consultants, lawyers, and accountants in carrying out the Advisory Committee's responsibilities. The Secretary to the Advisory Committee will be the interface with the Company for the contracting and payment for these services.

To help ensure the successful execution of the Advisory Committee's responsibilities, the Company will provide full and prompt access to the Advisory Committee's requests for relevant data, information, policies and access to Company employees and contractors. Such access also will be given to duly authorized and contracted consultants, lawyers and accountants assisting the Advisory Committee.

The Advisory Committee will prepare and provide annual reports to the Board of Directors no later than the end of December of each year, or more frequently, if the Advisory Committee deems appropriate. The annual reports shall include summarized results of the Advisory Committee's review of records of all EDF votes on the Company's Board of Directors; including discussions of any use of the Chairman's casting vote, determinations whether an exercise of foreign ownership, control, domination has occurred, or that foreign involvement with licensed activities was inimical to the common defense and security. The Advisory Committee acknowledges that the Company is required to and shall submit these reports to the Nuclear Regulatory Commission within 30 days of the reports' completion, or by January 31 of each year (whichever occurs first). The reports shall be made available to the public, with the potential exception of information that meets the requirements for withholding such information from public disclosure under the regulations of 10 CFR 2.390, "Public Inspections, Exemptions, Requests for Withholding".

MEMBERSHIP

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The Advisory Committee will be composed of two members, all of whom will be U.S. citizens, and will be appointed by the Board of Directors or the Board Committee. Additional members of the Advisory Committee may be appointed by the Board of Directors or the Board Committee, as warranted. One member of the Advisory Committee will be appointed by the Board of Directors or the Board Committee as Chairman of the Advisory Committee.

The term of office for Advisory Committee members will be one year. By mutual agreement, the Board of Directors or the Board Committee may offer, and an Advisory Committee member may accept, additional one-year appointments. Notwithstanding the foregoing, all Advisory Committee members will serve at the discretion of the Board of Directors or the Board Committee, and any change in the composition of the Advisory Committee shall be approved by the Board of Directors or the Board Committee.

Membership in the Advisory Committee should include individuals with prior experience or service in one or more of the following disciplines: nuclear power; government; regulatory agencies and processes; international business, banking and finance; law; and nuclear academia. There should be particular emphasis on experience on the Advisory Committee related to foreign investment in the U.S. (specific to nuclear generating facilities, if possible), and in nuclear power risk, safety, and security.

The Advisory Committee may retain independent counsel to enable the Advisory Committee to perform its obligations hereunder.

The Company will provide a Secretary to the Advisory Committee who will, among other duties, be responsible for scheduling and providing notice of meetings, communicating with advisors to the Advisory Committee, preparing meeting minutes, arranging for Advisory Committee requested information or meetings with Company officials needed to fulfill the Advisory Committee's responsibilities, managing the administrative processes for retaining outside consultants, lawyers, or accountants, as required by the Advisory Committee, and assisting in preparing the annual report of the Advisory Committee.

MEETINGS OF THE ADVISORY COMMITTEE

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The Advisory Committee will meet at regularly scheduled times, or at the call of the Chairman, not less than twice per calendar year, either in person or by telephone during which call all participants may hear the others. Additional meetings may be called by the Chairman at his discretion. Meetings will be held in Baltimore, or at locations designated by the Chairman. A quorum for the conduct of Advisory Committee business shall consist of a majority of the Advisory Committee members.

When practical, Advisory Committee meetings shall be scheduled or called well in advance of the meetings.

COMPENSATION

Members of the Advisory Committee will be compensated in accordance with a schedule determined by the Board of Directors or the Board Committee. Compensation will include an annual retainer and reasonable travel expenses for attending meetings, as well as any pre-approved orientation or investigatory visits.

INDEMNIFICATION/LIABILITY/INSURANCE

As provided for in the Operating Agreement, the Company shall indemnify members of the Advisory Committee, while serving the Company or at the Company's request any other entity, to the full extent required or permitted by the laws of the State of Maryland, now or hereafter in force, including the advance of expenses, under the procedures and to the full extent permitted by law.

To the fullest extent permitted by Maryland statutory or decisional law, as amended or interpreted, no member of the Advisory Committee shall be personally liable to the Company or its Members for money damages.

The Company will, in ensuring this indemnification, provide appropriate D&O insurance coverage for the Advisory Committee members.

CONFLICT OF INTEREST/NON-DISCLOSURE AGREEMENT

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Each Advisory Committee member, prior to assuming their position on the Advisory Committee, shall execute a non-disclosure agreement ("NDA") in favor of the Company. Such NDA will prohibit disclosure of confidential Company information to anyone outside of the Company, other than to appropriate U.S. government agencies and authorities in the performance of the Advisory Committee's duties and, as necessary, to the Advisory Committee's consultants, lawyers, and accountants in carrying out the Advisory Committee's responsibilities.

During each Advisory Committee member's term of service, such member shall refrain from engaging in activities that would create a conflict of interest for such member when performing Advisory Committee duties. Any existing or potential conflict of interest must, upon knowledge of such conflict or potential conflict, be disclosed to the Chairman of the Advisory Committee and the Board of Directors. An Advisory Committee member with a potential or existing conflict of interest shall recuse himself or herself from any matter to which the conflict could affect the Advisory Committee member's ability to impartially and independently provide advice. Should the conflict be such that the Advisory Committee member's ability to serve in an independent capacity is materially affected, the Advisory Committee member shall tender his or her resignation or, alternatively, be removed by the Board of Directors or the Board Committee.

ANNUAL REVIEW

The Board of Directors or the Board Committee shall review the Advisory Committee's scope of responsibilities, compensation and membership, annually.

AMENDMENT OF THE CHARTER

The Advisory Committee shall review and reassess the adequacy of this Charter at least annually, and recommend any proposed changes to the Board of Directors or the Board Committee. This Charter may be amended only by a vote of the Board of Directors or the Board Committee.