

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 12th meeting of the directors of the Company
held at Hinton House, Birchwood Park Avenue, Risley, Warrington WA3 6GR on 24th February
2015 at 10.00 a.m.

PRESENT:

Mr Bruce McKirdy	(RWM Managing Director)
Professor Charles Curtis	(Independent Non-Executive Director)
Mr Claes Thegerström	(Independent Non-Executive Director) (via teleconference)
Mr Jon Phillips	(NDA nominated Non-Executive Director)
Professor Melanie Brownridge	(NDA nominated Non-Executive Director) (via videoconference)
Mr Rob Higgins	(NDA nominated Non-Executive Director)

IN ATTENDANCE:

RWM HSSE Director
RWM Business Services Director
RWM Waste Management Director
RWM Company Secretary (via videoconference)
PA to RWM Managing Director (via videoconference)

1 NOTICE, QUORUM AND DIRECTORS DUTIES

- 1.1 The Chairman reported that, notice having been given to all directors of the Company, a quorum was present. Apologies were received from Dr Simper and Mr Ellis.
- 1.2 In the absence of the appointed Chairman, it was agreed in accordance with the Articles of Association and Board Terms of Reference that Mr Higgins, as an NDA appointed director, shall act as Chairman.
- 1.3 The Chairman reminded the directors of the need to consider their general duties, including those contained in the Companies Act 2006, in considering the matters put to the meeting.

2 CONFLICTS OF INTEREST

- 2.1 No new conflicts of interest were declared.

3 HEALTH, SAFETY, ENVIRONMENT, SECURITY AND QUALITY ISSUES

- 3.1 The RWM HSSE Director presented the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report for Period 10. There were no safety or environmental events reported during January 2015 and the number of security events reported represents an improvement over recent months.
- 3.2 The RWM HSSE Director recently met with the new Deputy Director and Head of Radioactive Substances Regulation of the Environment Agency and two joint regulatory meetings were held with the Environment Agency and the Office for Nuclear Regulation during January, providing updates on the improvements to the disposability assessment process and on national geological screening.
- 3.3 The RWM HSSE Director summarised the current status of the Safety and Environmental Key Performance Indicators. Three KPI's remain green. The Organisational Development KPI remains at amber until conformance of models with updated arrangements has been demonstrated.

- 3.4 The Board noted the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report.

4 RWM CORPORATE STRATEGY 2015-2018

- 4.1 The RWM Managing Director presented the updated Corporate Strategy 2015-18, following an in-depth discussion at the November RWM Strategy meeting and feedback from the January Board meeting. It has been confirmed by DECC and NDA Legal that the SEA obligations do not apply to the document and minor suggestions have been incorporated to alleviate any such concerns.
- 4.2 The Board discussed whether further explanation of the role of geological disposal in waste management should be included in the document, which would assist the reader in understanding the risk mitigation being undertaken by RWM. However, it was agreed that could result in less clarity and focus. Some links may be included to signpost other documents containing such material.
- 4.3 The Board agreed that any previous concerns raised have been thoroughly addressed and, subject to the minor comments above, approved the structure and content of the Corporate Strategy 2015-2018 as the basis for a corporate document for publication as hard copy and on the RWM website. A version will now be produced with improved layout, including photographs and reflecting the RWM branding.

5 RWM ORGANISATIONAL REVIEW

- 5.1 The RWM Managing Director introduced the paper entitled “RWM Organisational Review: resourcing options for delivering new work scope”, which supplements the December Board paper and responds to the Board request for evidence of optioneering.
- 5.2 The paper concludes that the preferred option is to increase in-house capability, increasing the headcount ceiling to 123. This is related to three main drivers: fulfilling a leadership role in the revised GDF siting process, developing a proactive approach to a Higher Activity Waste management and building capability as a wholly owned subsidiary.
- 5.3 A flexible implementation strategy has been developed, recognising the possible impact of a Spending Review in 2016, both on RWM and on the wider NDA Estate. Eight roles have been identified as immediately required and will be recruited on a permanent basis. The other roles will be recruited on an interim basis until the outcome of any Spending Review is understood. All the roles have to be filled to achieve the additional committed scope and a phased approach would not enable this. A meeting is scheduled with Shareholder Executive in March to brief them on the changes.
- 5.4 The Board approved Option C, an increase in approved headcount to 123. The Board noted that the RWM Executive has looked at the timing of recruitment to the new posts and concluded that eight are needed immediately and 15 will be filled with interims until 2016/17 financial year.

6 RWM BUSINESS PLAN 2015-2018

- 6.1 The RWM Business Services Director introduced the Business Plan 2015-2018. The draft initial 2015-2018 Business Plan Priorities and Targets were presented to the RWM Board in September 2014. In response to Board comments, additional targets have been included for years 2 and 3 and the targets made more “outcome based”. The target definition documents provide granularity for each target. The Business Plan takes a pragmatic approach to anticipated efficiency savings and estimating uncertainties.
- 6.2 Following a discussion, the Board approved the Business Plan 2015-2018, subject to any feedback from the NDA Executive review of the targets on 25 March. It was noted

that, in parallel, the Business Plan 2015-2018 will be submitted to DECC GDF Senior Responsible Officer to confirm that the scope of work is appropriate and consistent with the overall implementing Geological Disposal programme.

7 RWM INITIAL SPENDING REVIEW SUBMISSION 2015/16 – 2020/21

- 7.1 The RWM Business Services Director presented the Initial Spending Review Submission 2015/16-2020/21. An earlier draft was presented to the RWM Board in November 2014 and was subsequently updated in line with the comments received. Three scenarios have been provided to NDA covering Best Estimate, Accelerated and Minimum Spend options. These will help bound the potential funding outcomes. NDA has recently asked RWM to consider the implications of funding remaining flat at current levels. It was recognised that, in addition to the modelled options, there are additional scenarios driven by reduced funding elsewhere in the NDA Estate as a result of Spending Review.
- 7.2 The Board considered the range of scenarios and the implications for the RWM programme. The outcome of the Spending Review effectively decides whether the siting process should be visibly progressed within the period until 2020/21. Delays would lead to a lack of stakeholder momentum and would have no technological benefit. The Chairman suggested that the risks for the Minimum Spend scenario be more fully articulated. Further discussions on the scenarios will take place at the June Strategy meeting.
- 7.3 The Board approved the Initial Spending Review Submission 2015/16-2020/21 prior to it being formally sent to the NDA.

8 PRESENTATION ON INTERACTIONS WITH WASTE PRODUCERS AND UPSTREAM OPTIONEERING

- 8.1 In response to a Board request, the Waste Management Director gave a presentation on interactions with waste producers and upstream optioneering. This covered interactions with SLCs, the prioritised LOC schedule, which has increased visibility and allows management of the work programme, improvements such as the Expert View approach developed for legacy ponds and silos priorities and the role in Higher Activity Waste Management. NDA and regulators support is needed to ensure process completion following the “Expert View”. The transition of Sellafield Limited to a subsidiary company of the NDA should enable an increased interaction between the parties.

Action 12.01: RWM Managing Director, RWM Chairman and RWM Waste Management Director to meet with NDA Sellafield Programme Director to obtain NDA and Estate support to the importance of the prioritised LOC schedule and upstream optioneering work delivery.

Action 12.02: RWM Chairman to incorporate RWM requirements in SL Options Workstream 7.

- 8.2 The Board was asked to note:
- the prioritised LoC schedule is in place and marks RWM taking a more proactive role in the management of disposability assessment submissions
 - achieving a final Letter of Compliance is still the end point for SLCs and RWM needs NDA and regulator support to ensure this remains the focus when carrying out assessments
 - that in delivery of upstream optioneering studies there is a gap between exploring the potential opportunity and reaching a readiness level appropriate for immediate use by SLCs. The support of NDA Strategy is needed to address the issue of delivery and implementation of opportunities.

8.3 The Board noted the presentation.

9 RADIOACTIVE WASTE MANAGEMENT LIMITED MONTHLY PROGRESS REPORT PERIOD 10

9.1 The RWM Managing Director provided the key highlights from the Monthly Performance Report for Period 10. The Board congratulated Mr Thegerstrom on his 2015 Wendell D Weart Lifetime Achievement Award and noted that a member of RWM Technical Advisory Panel is to receive the Vetlesen Prize.

9.2 The Board discussed the positive level of interest shown at the regional stakeholder meetings and noted the local authority meetings were also going well. The Board noted the updated composition of the Independent Review Panel, which will be reviewing RWM work on geological screening.

9.3 The Board noted the Monthly Progress Report. Mr Phillips left the meeting.

10 AOB

10.1 The RWM Managing Director outlined the programme for the RWM Board Visit to Dounreay in September. RWM is informing SEPA and Scottish Government of the visit.

10.2 The Company Secretary presented the revised Audit and Risk Committee Terms of Reference, which have been amended following engagement with the NDA Audit Team and final confirmation of the members. The Board approved the updated Audit and Risk Committee Terms of Reference. The first meeting is due to take place on 16th March 2015 and a report will be provided to the Board.

10.3 The RWM Business Services Director noted that the RWM Remuneration Committee will take place on 31st March 2015 to consider Executive calibration and the valuation of targets.

10.4 Professor Brownridge asked RWM to confirm the role they wished to play at the Supply Chain Event in 2015.

11 MINUTES AND ACTIONS OF THE PREVIOUS MEETINGS AND REDACTIONS

11.1 The Board approved the minutes of the eleventh meeting of Radioactive Waste Management Limited.

11.2 The Board reviewed the minutes of the eleventh meeting of Radioactive Waste Management Limited to consider possible redactions needed prior to publication of the minutes on the NDA website. No redactions were identified.

11.3 An updated actions list is attached.

12 DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD

12.1 The next meeting will take place on 31st March 2015.

12.2 There being no further business, the Chairman declared the meeting closed.

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Chairman