

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 8th meeting of the directors of the Company
held at Building 587, Curie Avenue, Harwell, Didcot, Oxfordshire OX11 0RH and at Herdus
House, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU on 28th
October 2014 at 09.30 a.m.

PRESENT:

Dr Adrian Simper	(Chairman)
Mr Alun Ellis	(RWM Science and Technology Director)
Professor Charles Curtis	(Independent Non-Executive Director)
Mr Claes Thegerström	(Independent Non-Executive Director)
Professor Melanie Brownridge	(NDA nominated Non-Executive Director)
Mr Jon Phillips	(NDA nominated Non-Executive Director)
Mr Rob Higgins	(NDA nominated Non-Executive Director) (via telephone)

IN ATTENDANCE:

RWM HSSE Director
RWM Business Services Director
HSSEQ Advisor to the Board
RWM Company Secretary

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. The RWM Managing Director sent apologies for absence.
- 1.2 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 CHAIRMAN'S INTRODUCTION

- 2.1 The Chairman welcomed the attendees to the meeting and observed that the new branding was evident on entering the building. The RWM Business Services Director informed the Board that the branding, values and behaviours had been presented to the RWM employees recently, with a very positive response, and will be presented to stakeholders later this week. The values and behaviours will be incorporated into the performance management system.

3 CONFLICTS OF INTEREST

- 3.1 No new conflicts of interest were declared.

4 HEALTH, SAFETY, ENVIRONMENT, SECURITY AND QUALITY ISSUES

- 4.1 The RWM HSSE Director presented the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report. A member of staff had a minor car accident abroad while on business. No one was hurt in the accident but the member of staff had initial difficulties contacting the office due to telephone communications issues. There has been some increase in security incidents involving RWM staff, mostly relating to materials or windows not being secured at the end of the day. Employees have been reminded about the need to secure items when leaving their desk.
- 4.2 The RWM HSSE Director gave an update on interactions with regulators, including a Level 1 meeting with the Environment Agency and Office for Nuclear Regulation, which

provided the opportunity to discuss the availability of regulatory resource and CoRWM scrutiny.

- 4.3 A progress update was provided on the Safety and Environmental Key Performance Indicators. The data and models project is making good progress but the Organisational Development KPI will be held at amber until conformance of key models with updated arrangements has been demonstrated. The Iterative Development of the Disposal System remains green, with good progress being made for the update of the generic Disposal System Safety Case. The Waste Packaging KPI remains at amber due to a small number of comments on the procedures which need to be closed out. RWM has issued an interim stage Letter of Compliance covering wastes from Sellafield's Magnox Swarf Storage Silos. The Board observed they would like to have further information on Letter of Compliance submissions.

Action 08.01: RWM Science and Technology to provide list of current Letter of Compliance submissions and relevant statistics to the Chair prior to Quarterly Business Reviews

The Scrutiny and Regulatory Engagement KPI has been changed to green due to improvements in the quality of papers submitted to the Nuclear Safety and Environment Committee.

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

5 INFORMATION ASSURANCE IMPROVEMENT PLAN

- 5.1 The RWM Business Services Director gave a presentation to the Board on the Information Governance Programme, with the aims of providing assurance to the Board that RWM is meeting its operating plan target and providing further information to the Board as to their role in information governance.

- 5.2 The RWM Business Services Director set out the five disciplines, the current status of RWM's systems and capability and the proposed improvements for 2014/15, focusing on leadership and an Information Governance framework. The role of RWM in NDA Waste Records Programme was also defined.

- 5.3 The Board recognised the importance of dealing with compliance and the legacy systems but felt an Information Governance Strategy is necessary to set out what is to be achieved and why. It was felt that the advantages of the Programme to RWM need to be set out more explicitly, using specific examples. From the Strategy, programmes of work could be clearly defined and resourced.

Action 08.02: RWM Managing Director to prepare Information Governance Strategy for RWM and bring to the Board

- 5.4 The Board noted the RWM Information Assurance Improvement Plan key actions, noted their individual and collective responsibility for leadership and support to the Information Governance Programme and agreed to undertake a Board level online training module and regular planned training in the future.

6 UPDATED DISPOSAL SYSTEM FUNCTIONAL SPECIFICATION

- 6.1 The RWM Science and Technology Director explained that it is important that the Board is sighted on the proposed changes to the Disposal System Functional Specification as the illustrative designs for the Disposal System Safety Case will be based on the updated Functional Specification. Following completion of the work, the Disposal System Functional Specification will be brought to the Board for agreement.

- 6.2 The paper sets out the changes being made to the Disposal System Functional Specification to support the update to the generic Disposal System Safety Case. The

changes cover updates to regulatory requirements since the publication of the 2010 Disposal System Functional Specification, non-inventory change arising from the 2014 White Paper (in particular modification of the wording of the requirement relating to retrievability) and changes to the waste inventory as a result of the 2014 White Paper, which defines inventory to include a quantity of new build waste and includes a different approach to the long term management of plutonium.

- 6.3 The Board welcomed the inclusion of the tables listing the inventory changes and noted that the derived inventory documents would be published earlier than the Disposal System Safety Case. They discussed the potential impacts of the project as a result of different inventory scenarios.
- 6.4 The Board noted the changes to the Disposal System Functional Specification and the intention regarding further work.

7 RWM NUCLEAR SAFETY, SECURITY AND ENVIRONMENTAL AWARENESS SURVEY

- 7.1 The RWM HSSE Director summarised the results from the RWM Nuclear Safety, Security and Environmental Awareness Survey for 2014. Overall, the responses to the quantitative survey were positive and the comments constructive. There is, however, always room for improvement in awareness and actual or perceived culture and performance. Seven recommendations have been made as a result of the findings from the survey. These will be fed into the annual review of health, safety, security and environmental performance and the quality management system Management Review. A staff briefing by the Managing Director on the findings from, and the response to, the survey is scheduled for November.
- 7.2 The Board noted the findings and recommendations from the survey.

8 PROPOSALS FOR GOVERNANCE AND CULTURE IMPROVEMENT

- 8.1 The HSSSEQ Advisor to the Board presented his findings from the review of HSSSEQ governance and culture and his recommendations for improvement. The presentation focused on continuous improvement and the achievement of sustained levels of excellence as relevant for the current status of the organisation and how it will develop as the programme and responsibilities evolve.
- 8.2 The HSSSEQ Advisor confirmed that the Board is appropriately discharging its HSSSEQ responsibilities with regard to the current responsibilities and maturity of the organisation and identified six areas for improvement resulting from the review of HSSSEQ governance for consideration by the Board. These broadly reflected what would be expected as the programme and organisation develop and included the evolution of the composition of the Board as RWM's programme develops, the development of a longer-term HSSSEQ strategy aligned to the corporate strategy, improved HSSSEQ information, a more effective assurance function which develops proportionately with RWM operations, an improvement plan to demonstrate the openness and transparency of RWM and a review of the role of the Nuclear Safety and Environment Committee to maximise value.
- 8.3 The Board held a lengthy discussion on the proposed areas of improvement and concluded it was important to consider them in the light of RWM's strategic approach to HSSSEQ.

Action 08.03: RWM HSSE Director to prepare a HSSSEQ strategy

- 8.4 The Board noted the findings from the review of HSSSEQ governance and noted that the individual recommendations for improvement as set out in the paper will be revisited once an agreed RWM Strategy is in place.

- 8.5 The HSSSEQ Advisor to the Board then presented his findings from the review of RWM's culture and his recommendations for improvement. The culture review process had four main elements and was then compared to an HSSSEQ culture maturity model, which placed RWM as transitioning from Level 3 (analytical) to Level 4 (proactive). The Board accepted the culture maturity model and agreed to make it an explicit part of the organisational development model.
- 8.6 Following a discussion on the practical implementation of the recommendations, the Board noted the findings from the review of HSSSEQ culture and agreed the recommendations for improvement as set out in the paper.

9 MONTHLY PROGRESS REPORT PERIOD 6

- 9.1 The RWM Science and Technology Director presented the highlights of the Monthly Progress Report for Period 6, noting that the latest best estimate of expenditure for 2014/15 stood at more than available funding. He assured the Board that the RWM Executive and Programme Board is monitoring the deficit closely, challenging forecasts and preparing to take action to defer scope to ensure expenditure remains in line with available funding.
- 9.2 It was noted that members of the RWM technical teams have engaged with Sellafeld Limited project staff to evaluate the potential disposability of simplified proposals for packaging Magnox Swarf Storage Silos legacy wastes. The Board requested further information on RWM's interactions with waste owner including under the Upstream Optioneering project.

Action 08.04: RWM Executive to provide information to the Board on interactions with waste owners including under the Upstream Optioneering project.

- 9.3 The RWM Science and Technology Director informed the Board that the Bi-Annual Review report is appended to the September Monthly Progress Report.

Action 08.05: All to provide any feedback on Bi-Annual Review report to RWM Science and Technology Director

- 9.4 The Board noted the Monthly Progress Report.

10 AOB

- 10.1 The Chair informed the Board that RWM is eligible to use the Financial Reporting Standard 101 Reduced Disclosure Framework. Consequentially, RWM is able to prepare abbreviated accounts reducing the financial reporting burden. The shareholder has approved this way forward. The Board noted that the RWM accounts will be prepared in this way.
- 10.2 The RWM Science and Technology Director updated the Board regarding the NDA Spending Review preparations and the potential impact on RWM. Three scenarios are being modelled and a substantive paper will be brought to the Board in November. It was noted that a paper will be presented to the November Board meeting.

11 MINUTES AND ACTIONS

- 11.1 The Board approved the minutes of the seventh meeting of Radioactive Waste Management Limited.
- 11.2 The Board reviewed the minutes of the seventh 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.

Action 08.06: All to provide comments on summary note of Swedish visit, including benefits obtained from the visit and any lessons learned

12 DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD

12.1 The next meeting will take place on 25th November 2014. There were no comments on the Meeting Calendar.

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

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Chairman