

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 15th meeting of the directors of the Company
held at Building 587, Curie Avenue, Harwell, Didcot OX11 0RH on 30th June 2015 at 09.30 a.m.

PRESENT:

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| Mr Adrian Simper | (Chairman) |
| Mr Bruce McKirdy | (RWM Managing Director) |
| Mr Alun Ellis | (RWM Science and Technology Director) |
| Professor Charles Curtis | (Independent Non-Executive Director) |
| Mr Claes Thegerström | (Independent Non-Executive Director) |
| Mr Jon Phillips | (NDA nominated Non-Executive Director) |
| Mr Rob Higgins | (NDA nominated Non-Executive Director) |

IN ATTENDANCE:

RWM HSSEQ Director
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. Apologies were received from Professor Brownridge.
- 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. No new conflicts of interest were declared.

2 CHAIRMAN'S INTRODUCTION

- 2.1 The Managing Director informed the Board of a useful meeting he and the Chairman had held with the Director General of DECC. The importance of the GDF programme to the DECC mission was clear.
- 2.2 The Managing Director provided a short update on the recruitment process and succession plan for the Science and Technology Director.

3 HEALTH, SAFETY, ENVIRONMENT, SECURITY AND QUALITY ISSUES

- 3.1 The RWM HSSEQ Director presented the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report, providing an update on policy developments from the Welsh and Scottish Governments. The Chairman noted that the NDA Strategy team are working with Scottish Government to understand how the Scottish higher activity waste policy should be implemented.
- 3.2 The RWM HSSEQ Director informed the Board of the positive interaction with the regulators at working level, in particular on progress with the provision of disposability advice for Sellafield Legacy Ponds and Silos waste streams.
- 3.3 The RWM HSSEQ Director provided an update on the HSSEQ Key Performance Indicators. The Organisational Development KPI will remain at amber until conformance of all RWM models with updated arrangements has been demonstrated. The new organisational structure is being implemented in accordance with the management of organisational change case. The results of the recent safety climate survey have been reported to the RWM Executive. RWM performed better than the industry average in seven of the eight elements evaluated. Potential areas for improvements are to be discussed with line management.

- 3.4 The Waste Management indicator has been raised to amber to reflect the need for a comprehensive action plan covering the required management system improvements, including the production of submissions to the Nuclear Safety and Environment Committee. The Board discussed the root causes of the quality issues and noted that clarity around individual responsibilities had been improved. Interviews are taking place in July for positions within the Waste Management team. The Iterative Development of the Disposal System, GDF Implementation and Independent Advice and Oversight and Regulatory Scrutiny indicators remain green. The draft national geological screening guidance has been updated in light of initial feedback from the Independent Review Panel. The draft bi-annual report from the regulators has been received, with very positive feedback on RWM.

Action 15.01: RWM HSSEQ Director to circulate Executive Summary of draft bi-annual report from regulators.

- 3.5 The HSSE Events indicator has been raised to amber due to failures associated with the support provided by the facilities contractor. The Board discussed the corrective actions put in place.
- 3.6 The Board noted the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report.

4 ANNUAL REVIEW OF THE NDA AND RWM SERVICE AGREEMENT

- 4.1 The Chairman, Mr Higgins and Mr Phillips reminded the Board of their positions within the NDA to highlight the potential conflicts which could arise in terms of this agenda item. The declarations were accepted by the Board.
- 4.2 The RWM Managing Director presented the outcomes of the first annual review of services between RWM and NDA during the initial year of subsidiary operation. The review has also served as a learning exercise towards developing a suitable methodology for future review and reporting of performance.
- 4.3 The Board discussed the lack of prior communication or consultation on changes to key systems or processes and it was confirmed that the correct route of communication is functional rather than through governance. It was proposed that subsidiary companies are represented at NDA's Operating Committee.
- 4.4 Mr Higgins noted that the search for new office accommodation was progressing as a matter of priority. Two potential locations have been identified. The Board felt further work was necessary to clarify some outstanding issues.

Action 15.02: Managing Director to provide to Mr Higgins a summary of tangible impacts of the potential locations of new office accommodation.

- 4.5 The Board noted the paper and the planned improvements.

5 RECRUITMENT OF AN EXTERNAL INDEPENDENT NON EXECUTIVE DIRECTOR TO THE RWM BOARD

- 5.1 The Chairman informed the Board of the process being followed to recruit the replacement external independent non-executive director. The Board discussed the competencies required.
- 5.2 The Board approved the recruitment process for an external independent non-executive director and the recommended Board competencies required.

6 ANNUAL REPORT AND ACCOUNTS PREPARATION

- 6.1 The Managing Director requested the Board to provide comments on the Annual Report and Accounts 2014/15, in particular the draft Strategic Report and Directors' Report and

any known issues which might materially adversely impact the assessment that the company is a going concern.

- 6.2 The Board commented on the Annual Report and Accounts, in particular the draft Strategic Report and Directors' Report and it was confirmed that all the comments would be incorporated in the final version of the document. The Board were content with the Annual Report and Accounts and agreed it, subject to formal approval at the Audit and Risk Committee on 1st July 2015.

7 SPENDING REVIEW SCENARIOS

- 7.1 The Chairman explained that the next Spending Review will determine Government expenditure from 2016/17 and is expected to be particularly tough. Four scenarios have been analysed to help bound the potential funding outcomes and inform the debate. Since the previous version of this paper was presented to the Board, a new scenario, flat funding, has been developed.
- 7.2 The Science and Technology Director confirmed that a consistent set of scenario definition documents existed, with risks identified for each scenario.
- 7.3 The Chair asked the Board to consider the Minimum Funding Scenario, in particular, to ensure, given their duties as directors, that RWM will remain a viable organisation under that scenario. Whereas decisions about Spending Review are out of the Board's control, it is important that the Board ensures that any scenarios submitted are credible to the Board, no matter how unpalatable they are. The Board recognised the significant impacts on the RWM mission of that scenario and the potential change in priorities and programme, but were of the view that RWM would remain a viable organisation.
- 7.4 The Board noted the spending review scenarios and sensitivity analyses for strategic discussion and comment and approved the scenarios for formal submission to NDA.

8 RWM STAKEHOLDER SURVEY

- 8.1 The Managing Director presented the main findings and next steps of the RWM Stakeholder survey, including the key issues arising from the survey responses. The Board observed that a list of the stakeholders questioned would provide further context and requested further synthesis of the survey results. The Board considered how the information will drive the engagement strategy going forward.
- 8.2 The Board noted that the stakeholder survey report will be published, that RWM is planning for another stakeholder event in the autumn of 2015 or early 2016 and that a further stakeholder survey will be commissioned to be undertaken in the spring of 2016 with a broader group of stakeholders. The Board will receive a presentation by the Stakeholder Engagement and Communications Director later in 2015.

9 RADIOACTIVE WASTE MANAGEMENT LIMITED MONTHLY PROGRESS REPORT PERIOD 2, MAY 2015

- 9.1 The RWM Managing Director provided the key highlights from the Monthly Performance Report for Period 2, May 2015. RWM met with the Independent Review Panel in June to discuss, in public, the draft geological screening guidance. The Geological Disposal Programme Board will meet in July to review progress against all initial actions. The Science and Technology Director updated the Board on the Technical Advisory Panel meeting. It was noted that a very constructive two day workshop was held with NDA Strategy and LLWR to learn lessons from the completed Upstream Options project.
- 9.2 The Science and Technology Director noted the currently estimated funding shortfall and assured the Board that additional controls are in place to manage this.
- 9.3 The Board noted the Monthly Progress Report.

10 REPORT FROM SUB-COMMITTEES

10.1 The Board noted that no Sub-Committee meetings had been held since the last Board.

11 MINUTES AND ACTIONS OF THE PREVIOUS MEETINGS AND REDACTIONS

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

11.2 The Board reviewed the minutes of the fourteenth 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 29th September 2015.

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

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Chairman