

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 19th meeting of the directors of the Company
held at Building 587, Curie Avenue, Harwell, Didcot OX11 0RH on 26th January 2016 at 09.30.

PRESENT:

Dr 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) (via video conference)
Prof Melanie Brownridge	(NDA nominated Non-Executive Director)
Mrs Susan Douthwaite	(Independent Non-Executive Director)

IN ATTENDANCE:

RWM HSSEQ Director
RWM Company Secretary (via video conference)
PA to RWM Managing Director

1 NOTICE, QUORUM, DIRECTORS DUTIES, CHAIRMAN'S INTRODUCTION

- 1.1 The Chairman welcomed Mrs Douthwaite to her first Board meeting.
- 1.2 Apologies were received from Mr Lowe. The Company Secretary explained that, for this meeting only, Prof Brownridge had been appointed to act as Alternate Director for Mr Lowe, in accordance with Article 6 of the Company's Articles of Association. The Chairman reported that, notice having been given to all directors of the Company, a quorum was present.
- 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. The Company Secretary explained that Mrs Douthwaite had completed declaration of interest forms in accordance with the Company's Conflicts of Interest Policy and had not identified any conflicts of interest. No other conflicts of interest were declared.

2 HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY ISSUES

- 2.1 The RWM HSSEQ Director presented the Health, Safety, Security, Environment and Quality section of the Period 9 Monthly Performance Report. The ONR has recommended to Government that a geological disposal facility should be subject to licensing under the Nuclear Installations Act. ONR will continue to work with RWM to influence the safety case for the geological disposal facility, and to ensure that RWM is capable of becoming a suitable licensee. A meeting is taking place between RWM, DECC and regulators in January to review the preparations for licensing. The Regulators and RWM continue to prepare for the regulators' organisational inspection of RWM in February.
- 2.2 DECC has published the outcome of the triennial review of CoRWM, confirming a continued role for the Committee as an advisory NDPB and amending the Committee's terms of reference to ensure CoRWM operates in the most effective manner. The HSSEQ Director met with the Chairman of CoRWM in December to explore the differing views between the Committee and RWM in relation to the development of the generic safety case. It is planned to undertake a review of approaches to the development of a

generic safety case and share the specification for the review with CoRWM for comment. This provides an opportunity to work with CoRWM to deliver additional value to the safety case process.

- 2.3 The HSSEQ Director noted that the Nuclear Safety and Environmental Committee met in December and supported three proposals, regarding: adoption of an updated Organisational Baseline Document, the use of superplasticisers within cementitious encapsulation grouts and an amended approach to the assessment of the consequences of releases from waste packages under accident conditions. The Health and Safety Committee also met in December and reviewed health and safety performance, events and matters raised by staff. The feedback is being considered and internal communication mechanisms are being reviewed.
- 2.4 The Organisational Development KPI remains amber. The Independent Oversight Manager and a number of other roles remain unfilled and resource pressures within the organisation were noted. Assurance of conformance of all RWM models with updated management system arrangements is expected to be brought to the April Board meeting. There has been no change to the other KPI's since the last report.
- 2.5 The Board noted the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report.

3 IMPLICATIONS OF THE 2014 WHITE PAPER FOR RWM'S LONG TERM PLANS

- 3.1 The Chairman noted a possible conflict of interest given his responsibilities as NDA Strategy and Technology Director. However, the Board, taking due consideration of their own duties as directors, considered the interest identified and agreed it was in the best interests of the Company for the Chair to be included in these discussions.
- 3.2 The Science and Technology Director presented a paper entitled Implications of the 2014 White Paper for RWM's long term plans. A long term plan has been in place for some time, during which a number of changes have taken place, for example, the restatement of Government policy. The current planning assumption is for the first waste emplacement of Intermediate Level Waste 'around 2040' and this date has an impact on planning around the NDA Estate. There is some uncertainty around the date but it remains credible and a comprehensive review now would not reduce uncertainty over the actual implementation programme. Following a lengthy debate, the Board determined that there are currently insufficient grounds to recommend to NDA a change in planning assumptions around first waste emplacement.
- 3.3 The Board agreed to retain the NDA strategic planning assumption of the first waste emplacement of Intermediate Level Waste of 'around 2040' given the current level of programme uncertainty and that a comprehensive review of and update to the long term implementation plan for a geological disposal facility should not be started until at least the completion of the initial actions identified in the 2014 White Paper. The Board agreed that this approach should be agreed with NDA Finance and continue with the current cost estimation arrangement of adjusting the Intermediate Level Waste first waste emplacement date by a year each year. The Board agreed the progress of the GDF Implementation Plan should be reviewed on an annual basis as the geological disposal facility siting process develops, to provide confidence that this approach remains valid. The first review should be undertaken in Q2 2016/17.

4 GDPB PAPER ON GDF IMPLEMENTATION AND UPDATE ON RESOURCE REVIEW

- 4.1 The Managing Director presented to the Board two papers previously presented to the Geological Disposal Programme Board (GDPB) in response to questions over RWM's transition into a delivery organisation. The first paper on GDF Implementation sets out the approach to identifying a suitable site and changes to the business model in order to implement the siting process. The paper provides that successful delivery of a geological disposal facility requires an organisation with the capability to integrate and deliver three essential elements: GDF designs and safety cases, radioactive waste

suitably packaged and a site combining suitable geology with a willing community. Progress in each area is summarised within the paper. A final version of the paper is ready for publication and has been circulated to GDPB members for final comments.

- 4.2 *Post meeting note: It has been agreed that the paper cannot be finalised for publication until completion of the DECC and RWM Initial Actions.*
- 4.3 The second paper, Geological Disposal Facility Implementation – Organisational Development Update, informed GDPB on progress with the resource review undertaken by the RWM Executive Team in the context of the first paper. The review has identified the need to increase permanent resources within the Siting Team structure and redefine the roles within the Communications Team. Input will be needed for the GDF siting project from around thirty other RWM staff and resources have been reallocated accordingly from other areas of the business. The business model and resource review has been based on RWM experience and taking account of overseas programmes. The recruitment process has started.
- 4.4 It was noted that the papers were well received by GDPB and there are plans to publish the GDF Implementation Paper. Further comments from the Board included a proposal to review the terminology used for geological settings and approval of the proposal to conduct an organisational readiness review.
- 4.5 The Board noted the contents of the two GDPB papers and supported plans for the organisational development of RWM as set out in the papers.

Action 19.01: Managing Director to circulate a draft specification for an organisational readiness review.

5 RADIOACTIVE WASTE MANAGEMENT LIMITED MONTHLY PROGRESS REPORT PERIOD 9, DECEMBER 2015

- 5.1 The RWM Managing Director provided the key highlights from the Monthly Performance Report for Period 9, noting that recovery of the funding shortfall is anticipated by year end. RWM received very positive feedback in a recent Sellafield Limited publication.

Action 19.02: Managing Director to circulate Sellafield Limited feedback on RWM to Board.

- 5.2 The Managing Director provided a progress update on the National Geological Screening Guidance consultation. The Board reviewed the Milestones and noted none of the missed targets were likely to have an impact on Corporate Targets; some missed milestones are the result of the reallocation of resources in accordance with the new business model.
- 5.3 The Board noted the Monthly Progress Report.

Action 19.03: Managing Director to include a Forward Look in future Reports.

6 REPORTS FROM SUB-COMMITTEES

- 6.1 The Audit and Risk Committee and the Remuneration Committee have not met since the last meeting.
- 6.2 Mr Thegerström provided a verbal update from the HSSSEQ Sub Committee, which had discussed the impact of resources allocation and vacancies on the organisation, noted the office moves and mechanisms for improved internal communications, reviewed the recruitment plan for HSSSEQ, reviewed some conclusions from Alan Brandwood around the ownership of processes and considered the ONR paper on the approach to GDF licensing. Mr Thegerström will provide a written update.

Action 19.04: Managing Director to consider RWM view on ONR arrangements for licensing GDF.

- 6.3 The Board noted the report from the HSSSEQ Sub-Committee.

7 MINUTES AND ACTIONS OF THE PREVIOUS MEETINGS AND REDACTIONS

- 7.1 The Board approved the minutes of the eighteenth meeting of Radioactive Waste Management Limited.
- 7.2 The Board reviewed the minutes of the eighteenth 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.
- 7.3 An updated actions list is attached.

8 AOB

- 8.1 The Company Secretary presented revised versions of the Articles of Association and Board Terms of Reference following the appointment of Mrs Douthwaite as an additional independent non-executive director. The revisions reflected the changes in Board composition and the quorum. The Board noted the revised Articles of Association and agreed the revised Board Terms of Reference, which will be signed by the Chairman.
- 8.2 The Managing Director explained proposals will be brought to the next Board to consider the Executive Director membership of the Board.
- 8.3 The Managing Director noted RWM's commitment to the Women in Nuclear charter and explained a personal pledge made on behalf of RWM.

Action 19.05: Managing Director to circulate Women in Nuclear personal pledge to the Board.

9 DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD

- 9.1 The next meeting will take place on 23rd February 2016 at the Warrington Office.
- 9.2 There being no further business, the Chairman declared the meeting closed.

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Chairman