

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 20th meeting of the directors of the Company
held at Hinton House, Birchwood Park Avenue, Risley, Warrington WA3 6GR on 23rd February
2016 at 10.00.

PRESENT:

Dr Adrian Simper	(Chairman)
Mr Bruce McKirdy	(RWM Managing Director) (via videoconference)
Mr Alun Ellis	(RWM Science and Technology Director)
Professor Charles Curtis	(Independent Non-Executive Director)
Mr Claes Thegerström	(Independent Non-Executive Director)
Prof Melanie Brownridge	(NDA nominated Non-Executive Director) (via video conference)
Mr Nigel Lowe	(NDA nominated Non-Executive Director)
Mrs Susan Douthwaite	(Independent Non-Executive Director) (via videoconference)

IN ATTENDANCE:

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

1 NOTICE, QUORUM, DIRECTORS DUTIES, CHAIRMAN'S INTRODUCTION AND CONFLICTS OF INTEREST

- 1.1 The Chairman reported that, notice having been given to all directors of the Company, a quorum was present. Apologies were received from Mr Phillips. The Chairman noted Mr Phillips would leave the NDA on 31st March and would tender his resignation from the Board on or before that date. This provides the Chairman with an opportunity to consider the composition of the Board.
- 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.
- 1.3 The Company Secretary produced to the meeting a notice of declaration of interests by Mr Lowe. The Declaration of Interests was read out to the meeting and its contents duly noted. The directors, taking due consideration of their own duties as directors, considered the interests identified and authorised each one.
- 1.4 Mr Lowe also holds positions as a trustee director with Combined Nuclear Pension Plan Trustees Limited and the NDA representative director of North Highland Regeneration Fund. It was resolved to authorise these other directorships and any potential or actual conflicts that may arise in connection with them and the relevant director's position with the Company in accordance with section 175 of the Companies Act 2006. It was noted that the director so interested did not vote or count as part of a quorum on this resolution and that, nevertheless, there was a quorum for this item of business transacted by the meeting.
- 1.5 No additional 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 Monthly Performance Report for January 2016. RWM met with regulators and DECC to discuss preparations for environmental permitting and nuclear

site licensing. It was agreed that RWM will set out a plan for its development into an organisation capable of seeking permits and a licence to support ongoing regulatory scrutiny, as well as provide comments on the prescription of geological disposal as a licensable activity and on potential areas for supplementary regulatory guidance.

Action 20.01: RWM HSSEQ Director to circulate draft comments on the prescription of geological disposal as a licensable activity. ALL directors are welcome to comment.

- 2.2 The RWM HSSEQ Director and Science and Technology Director recently met CoRWM. Different options have been suggested by CoRWM regarding the evolution of the safety case and RWM has undertaken to explore the merits of the options.
- 2.3 The KPI ratings remain the same as the previous month. A theme through each of the KPI's is the resource shortfall in certain areas of the business and the resulting re-allocation of resources. A management of change case has been prepared for the temporary provision of additional resource to support National Geological Screening and siting activities. Resource diversion has also slowed progress on the development of the approach on the EC Groundwater Directive requirements. Plans are being enacted to address resource shortfalls and additional controls are being developed. It was clarified that no critical ongoing work is being stopped but some new work is being deferred into the next year.
- 2.4 Good progress has been made with the update of the generic Disposal System Safety Case. In the Waste Management area there is a demand for the application of the Expert View process and learning from its application has been applied in improvements to the controlling work instructions. A key next step in GDF Implementation is the development of a transition plan to ensure RWM's development into an effective and outward facing delivery organisation.
- 2.5 There were three health and safety near misses identified in January relating to the Harwell Office. An audit of the facilities contractor identified two non-conformances and RWM is continuing to monitor the contractor's progress. RWM was also provided with evidence of potential unsafe actions by the facilities contractor. The Board considered the events and agreed it was more appropriate to move the KPI to amber until further mitigations were put in place. The RWM Business Services Director provided an update on the office move, which is likely to be at least 12 months away.

Action 20.02: RWM Business Services Director to raise the need for service improvements with the facilities contractor.

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

3 RADIOACTIVE WASTE MANAGEMENT LIMITED: JOINT REGULATORY INSPECTION FEBRUARY 2016

- 3.1 The Managing Director presented the initial findings of the Joint Regulatory Inspection by the Environment Agency and the Office for Nuclear Regulation. He summarised the previous inspections by the regulators and the aim of this inspection to help RWM identify any development needs in working towards an organisation that is capable of holding the regulatory permissions required for a GDF. The inspection approach was to treat RWM the same as any other regulated organisation.
- 3.2 Initial findings identified a number of areas of good practice, significant progress since the previous inspections and some improvement opportunities. The overall impression was very positive. A joint formal response will be provided by the regulators setting out the findings.
- 3.3 The Board congratulated the Executive Team on the successful inspection and asked the Managing Director to thank RWM's Senior Independent Oversight Manager for making excellent arrangements for the inspection.

4 DRAFT RWM BUSINESS PLAN 2016-2019

- 4.1 The RWM Business Services Director presented the Draft RWM Business Plan for 2016 – 2019 and handed out the draft document. The modular approach allows easy condensation into an external version. The draft Business Plan starts with the Vision, Mission, Objectives and Values of RWM and explains the overall GDF Programme. It provides a financial summary and shows external budget by directorate. The RWM Business Services Director presented the draft Corporate Targets for 2016/2017 and the structure of the Phases 2 and 3 Business Models which will see the appointment of a Strategic Communications Partner and the addition of management and site characterisation contracts. The document also includes key strategic risks.
- 4.2 The Board provided high level comments on the draft Business Plan 2016 – 2019. It was clarified that the allocation of budget prioritises GDF siting but still provides sufficient funding to other key areas. The GDF siting budget has increased and the science and technology budget for generic programme work has consequently been decreased. It was felt that the corporate targets should provide more of a sense of direction of travel for future years and a better articulation of planned deliverable risks could be included.
- 4.3 The Board noted the Business Plan will be resubmitted to the March RWM Board for approval. The Board agreed that the draft business plan may be shared with the DECC SRO to confirm that the scope of work is appropriate and consistent with the overall Implementing Geological Disposal Programme.
- 4.4 **Action 20.03:** ALL to provide comments on draft Business Plan 2016 – 2019 to RWM Business Services Director by 11th March 2016.

5 DISPOSAL SYSTEM SPECIFICATION PART A – HIGH LEVEL REQUIREMENTS

- 5.1 The Science and Technology Director explained that a paper was presented to the October 2014 meeting describing the changes to the Disposal System Functional Specification (DSFS). The Board noted the changes and the intention to bring the final DSFS to the Board. The Science and Technology Director presented a comprehensive summary of DSS Part A High Level Requirements to meet the commitment made in October 2014.
- 5.2 The Board approved the high level requirements set out in the paper and, following careful consideration, agreed the Board wished to remain informed of any changes to the requirements. The Board takes comfort that appropriate management arrangements are in place.

6 REVIEW OF CONTROL OF CLASSIFIED INFORMATION

- 6.1 The RWM HSSEQ Director presented the Review of RWM's Control of Classified Information. This is a key risk identified by the Board and is brought to the Board's attention for periodic review. The paper reviewed the requirements relating to the control of classified information, reported events and the management systems and guidance in place. Changes to the regulatory regime proposed by ONR were highlighted. The RWM HSSEQ presented the recommendations for improvement which aim to increase resilience and reduce risk.
- 6.2 The Board commented on the paper and encouraged RWM to remain aligned with NDA's position on the control of classified information although it was acknowledged that slight differences would result from tailoring the controls to RWM's business model.
- 6.3 The Board noted the review of RWM's control of classified information and the associated recommendations for improvement.

7 RADIOACTIVE WASTE MANAGEMENT LIMITED MONTHLY PROGRESS REPORT PERIOD 10

- 7.1 The RWM Managing Director provided the key highlights from the Monthly Performance Report for Period 10. RWM held a workshop with representatives from NDA, the industry and regulators to launch the Higher Activity Waste Programme. Strong support was expressed for a developing strategic role for RWM and the low activity waste delivery model developed by LLWR was cited as a good approach.
- 7.2 RWM's Chief Scientific Adviser attended an IAEA Technical Meeting to prepare a Safety Report on ILW disposal. The Managing Director also noted plans for the Stakeholder Event in May.
- 7.3 The Managing Director provided an update on plans to commission a readiness review of RWM's readiness to implement the siting process. The review will test plans and subsequent implementation of the plans.

Action 20.04: Managing Director to circulate final form organisational readiness review specification to the Board. ALL directors to comment and approve via correspondence by 4th March 2016.

- 7.4 The Board commented on the financial section of the Monthly Performance Report and requested further clarity on the Latest Best Estimate and the definition of commitments.
- 7.5 The Board noted the Monthly Progress Report.

8 REPORTS FROM SUB-COMMITTEES

- 8.1 Mr Lowe updated the Board on preparations for the Audit and Risk Committee on 21st March. The Chairman noted the Remuneration Committee would take place following this meeting. Mr Thegerström presented his report from the HSSSEQ Committee.
- 8.2 The Board noted the reports from the Sub-Committees.

9 AOB

- 9.1 The Science and Technology Director updated the Board on the recruitment of a Chief Analytical Adviser. The recruitment process has been unsuccessful and therefore the position will not be filled. This will require the procurement of external mathematical expertise. The Board noted the approach.
- 9.2 The Company Secretary introduced the Board Effectiveness review and informed the Board that correspondence including log-in details would soon be circulated to explain how to complete the questionnaire. Following completion, analysis of the results will be presented at a future meeting.

10 MINUTES AND ACTIONS OF THE PREVIOUS MEETINGS AND REDACTIONS

- 10.1 The Board approved the minutes of the nineteenth meeting of Radioactive Waste Management Limited subject to the addition of a post-meeting note relating to the GDF Implementation paper.
- 10.2 The Board reviewed the minutes of the nineteenth 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.
- 10.3 An updated actions list is attached.

11 DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD

- 11.1 The next meeting will take place on 30th March 2016 at the Warrington Office.
- 11.2 There being no further business, the Chairman declared the meeting closed.

OFFICIAL

.....

Chairman