

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "**Company**")

Minutes of the 23rd meeting of the directors of the Company held at Building 587, Curie Avenue, Harwell, Oxfordshire OX11 0RH and, via video conference, at Hinton House, Birchwood Park Avenue, Risley, Warrington WA3 6GR and Herdus House, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU on 26th July 2016 at 09.30

PRESENT:

Dr Adrian Simper	(Chairman)
Mr Claes Thegerström	(Independent Non-Executive Director)
Prof Melanie Brownridge	(NDA nominated Non-Executive Director)
Mr Peter Lock	(RWM HSSEQ Director)
Professor Charles Curtis	(Independent Non-Executive Director) (via telephone)
Nigel Lowe	(NDA nominated Non-Executive Director) (via VC)
Sue Douthwaite	(Independent Non-Executive Director)

IN ATTENDANCE:

NDA Chief Financial Officer
RWM Transition Programme Director
RWM Business Services Director
RWM Science and Technology Director
RWM Acting Head of Disposal System Assessment (agenda item 6 only)
RWM Company Secretary
PA to Managing Director

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 the Managing Director and the Waste Management Director.
- 1.2 The Chairman welcomed NDA's Chief Financial Officer, Mr David Batters, who it was proposed will be appointed as Chairman of RWM from September 2016.
- 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.
- 1.4 No new or additional conflicts of interest were declared.

2 HEALTH, SAFETY, SECURITY, ENVIRONMENT, AND QUALITY ISSUES AND REVIEW OF KPI'S

- 2.1 The RWM HSSEQ Director presented the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report for Period 3, noting that CoRWM had published their Annual Report for 2015/16. This includes recommendations to government on RWM's approach to the development of generic safety cases and organisational transition. The RWM HSSEQ Director will circulate the CoRWM Annual Report to the Board.

Action 23.01: RWM HSSEQ Director to circulate the CoRWM Annual Report to the Board

- 2.2 The RWM HSSEQ Director noted that the KPI's remain at green other than the Operational HSSEQ Performance which is amber due to the remediation plan being in

place to address the facilities contractor performance issues. Good progress has been made on recruitment, but some employees have left the organisation. It is vital to recruit to the vacancies in the Siting Team to meet the GDF Implementation needs. Use of a headhunting organisation is expected to assist progress. It was noted that some activities within the GDF Siting Transition Programme remain to be fully scoped.

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

3 ANNUAL REPORT AND FINANCIAL STATEMENTS

- 3.1 The RWM Business Services Director presented the Annual Report and Financial Statements for the period ending 31 March 2016 which were approved by the Audit and Risk Committee on 19 July 2016 in accordance with its Terms of Reference.

- 3.2 The RWM Business Services Director reminded the Board of the membership of the Audit and Risk Committee and summarised the Committee's focus on the strategic and directors' report and the going concern assessment. Ernst Young provided an overview of financial controls and identified only one clerical error. Procedures have been put in place to second check higher value and more sensitive payments. Mr Lowe noted that the Audit and Risk Committee were satisfied with the steps put in place by RWM.

- 3.3 The Board made some minor observations on the Annual Report and Financial Statements and discussed the extent to which stakeholders might read and rely on the document.

Action 23.02: RWM Business Services Director to test stakeholders' expectations of the content of the Annual Report and Financial Statements.

- 3.4 The Board noted the approval of the Annual Report and Financial Statements by the Audit and Risk Committee, including the completion of a going concern assessment and the assurances provided to the external auditors in the accompanying Letter of Representation.

4 THE 2016 UPDATE TO THE GENERIC DISPOSAL SYSTEM SAFETY CASE

- 4.1 The Acting Head of Disposal System Assessment joined the meeting and presented to the Board the 2016 update to the generic Disposal System Safety Case. The Acting Head of Disposal System Assessment explained the reasons for producing a generic DSSC. There is no legal or regulatory requirement to do so but, amongst other reasons, it brings together evidence that a geological disposal system can be safely designed, constructed, operated and closed, it underpins the disposability assessment process and is a demonstration of RWM capability.

- 4.2 The Acting Head of Disposal System Assessment provided an overview of the purposes of the comprehensive update, including recognising the revisions to the White Paper, including the new inventory for disposal and responding to feedback from regulators / CoRWM on the 2010 generic DSSC. The documentation takes account of the regulatory feedback on the 2010 safety case. Some elements have already been presented to ONR and the Environment Agency.

- 4.3 The Board was informed of the delivery sequence. The safety assessments and safety cases are all drafted and peer reviewed and are undergoing independent assessment ready for Nuclear Safety and Environment Committee advice in October/November 2016.

- 4.4 CoRWM favours three separate safety cases to cover the three main rock types. RWM is preparing three short public facing documents that summarise the safety arguments for the three different rock types. RWM is also scoping out the implications and cost of moving from a single generic DSSC to three rock specific safety cases.

- 4.5 The Board discussed the importance of increasing the alignment of RWM and CoRWM views at an early opportunity. The revised membership of CoRWM provides an opportunity to further engage with CoRWM.

Action 23.03: RWM HSSEQ Director to arrange for Board engagement with CoRWM.

- 4.6 The Acting Head of Disposal System Assessment noted the DSSC will complete the full due process and approval by December 2016. The approved DSSC will be released to external regulators in December 2016.
- 4.7 The Board noted the 2016 update to the Generic Disposal System Safety Case. The Acting Head of Disposal System Assessment left the meeting.

5 TRAINING FOR BOARD MEMBERS

- 5.1 The RWM Business Services Director presented a modular approach to training for RWM Board members to ensure directors are aware of their legal duties and responsibilities as a company director and are competent to discharge the Board's purpose, objectives and duties as set out in its Terms of Reference. The training is divided into three modules: induction, core training and bespoke training. An evaluation of the training will be integrated into the overall assessment of the effectiveness of the Board.
- 5.2 The next steps are to meet with the RWM Chair and Managing Director to agree specific training requirements and begin delivery of the training programme.

Action 23.04: RWM Business Services Director to meet with directors and update the competency framework.

Action 23.05: RWM Business Services Director to arrange Institute of Directors training for the RWM Board, with the RWM Executive to also participate.

- 5.3 The Board approved the modular approach to training for Board members and noted the next steps. It was noted that the organised site visits were valuable but that it is important to retain some flexibility in the training approach.

6 RADIOACTIVE WASTE MANAGEMENT LIMITED MONTHLY PROGRESS REPORT PERIOD 3

- 6.1 The RWM HSSEQ Director provided the key highlights from the Monthly Performance Report for Period 3. RWM is actively managing available funding and monitoring the Latest Best Estimate of expenditure.
- 6.2 RWM held its internal staff event in July, providing an opportunity to update staff on progress, performance and priorities along with a strategic look ahead for 2017 and beyond. Feedback from staff has been enthusiastic.
- 6.3 Sickness absence figures have continued to increase although this is largely due to some specific long term absences. Overall sickness absence figures continue to compare favourably to relevant benchmarks and this position will be kept under review.
- 6.4 The RWM Business Services Director provided an update on the Initial Business Case for Surface-based investigations and the support provided by NDA in streamlining the proposed approach for engagement with government.
- 6.5 The Board noted the Monthly Progress Report.

7 REPORTS FROM SUB-COMMITTEES

- 7.1 The Chair noted that no Remuneration Committee or HSSEQ Committee has been held since the last Board. An HSSEQ Committee will be held tomorrow.

7.2 Mr Lowe provided an update from the Audit and Risk Committee. Ernst Young provided an update on the going concern assessment and provided a strong caveat regarding forecasting the implications of the EU referendum result. The Committee also received a presentation on risk management and the approach being taken to a mature risk model.

7.3 The Board noted the report from the Audit and Risk Committee.

8 AOB

8.1 The Chairman noted that NDA and RWM exist to implement Government policy, which includes the results of the EU referendum.

8.2 The Transition Programme Director thanked the Chairman on behalf of the Board and the Executive Team for the interest he has shown in the work of RWM during his tenure as Chairman and for the challenge, guidance and leadership provided to the Board.

9 MINUTES AND ACTIONS OF THE PREVIOUS MEETINGS AND REDACTIONS

9.1 The Board postponed approving the minutes of the June 2016 to the next meeting.

9.2 An updated actions list is attached.

10 DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD

10.1 The next meeting will take place on 27th September 2016 at the Warrington Office. Some comments were made on the Forward Plan.

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

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Chairman