

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

Minutes of the 18th meeting of the directors of the Company
held at Hinton House, Birchwood Park Avenue, Risley, Warrington WA3 6GR on 24th
November 2015 at 09.15 a.m.

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)

IN ATTENDANCE:

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

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

- 1.1 Apologies were received from Mr Higgins and Professor Brownridge. The Chairman reported that, notice having been given to all directors of the Company, a quorum was not present but that the Company Secretary would ensure all decisions were appropriately ratified.
- 1.2 The Chairman noted a number of changes in Board composition, including the appointment of Sue Douthwaite via the Women on Boards initiative. The scheme is designed to provide experience of observing the Board but it has been agreed to formalise the appointment for a two year period.
- 1.3 Mr Higgins has tendered his resignation from the RWM Board. Mr Nigel Lowe will replace Mr Higgins as an NDA nominated Non-Executive Director. The Managing Director also noted he is considering whether the HSSEQ Director role should be a member of the Board and would discuss this with the Chairman.
- 1.4 The Company Secretary explained that the RWM Articles of Association limit the number of directors to eight and a shareholder resolution will be required to increase that number.
- 1.5 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 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, noting the continuing good engagement with regulators. EA are keen to consider with RWM how they can best demonstrate their advice supports the RWM mission.
- 2.2 The RWM Executive met with CoRWM to discuss organisational development, the generic Disposal System Safety Case update and stakeholder engagement activities.

The parties discussed their differing views on the development of the generic Disposal System Safety Case. The Board debated the role of the Safety Case, how RWM is viewed by DECC in this matter and how stakeholders needs could best be met. The Chairman and Managing Director are meeting DECC later in the week to discuss this and other matters.

Action 18.01: Managing Director to provide a note summarising the meetings with CoRWM and DECC regarding the generic Disposal System Safety Case.

- 2.3 It was agreed that the debate had provided helpful insight into the relationship with CoRWM but that further discussions should be held at the January Strategy meeting on their views on the Safety Case and implications for RWM.
- 2.4 The RWM HSSEQ Director presented the HSSEQ Key Performance Indicators, noting that a secondment from a site licence company to fill the remaining vacancy within the HSSEQ function has recently fallen through. The Organisational Development KPI remains amber until conformance of all RWM models with updated arrangements has been demonstrated. The Board noted RWM's generally positive HSSEQ performance over the last quarter and RWM has re-secured certification against the relevant international standards.
- 2.5 The GDF Implementation KPI has changed to green this month as additional controls and resources were to be applied to the production of RWM documentation in support of GDF Implementation. The HSSE Events KPI remains green. The Board noted one minor injury during a consultation event. The Board has undertaken a review of travel safety.
- 2.6 The Board noted the Health, Safety, Security, Environment and Quality section of the Monthly Performance Report.

3 PROPOSED CHANGES TO RWM BOARD RESERVED AND DELEGATED APPROVALS

- 3.1 The RWM Business Services Director presented the Proposed Changes to RWM Board Reserved and Delegated Approvals resulting from a periodic review and organisational changes arising from the formation of Board Committees. In addition, changes made by NDA to its Scheme of Delegations have been incorporated. The principal changes are the inclusion of delegations for Board Committees and a change to constrain annual pay increases to the same percentage as NDA's.
- 3.2 The Board commented on the document, noting the Board and MD sometimes have the same level of authority.

Action 18.02: Business Services Director to consider how to administer operation of delegations so the Board is appropriately sighted.

- 3.3 The Board noted the changes made to the Board delegations by NDA, agreed the revised Board delegations to be cascaded to the RWM Managing Director and agreed the proposed delegations from the Board to its Committees.
- 3.4 The Business Services Director explained that due to an organisational review of the communications and stakeholder engagement structure, two individuals are at risk of redundancy. Board approval in principle is required to obtain redundancy terms in order that discussions can begin. RWM continues to look at other options such as redeployment. The Business Services Director will return to the Board if actual redundancy notice is to be given. The Board approved the principle.

4 RWM 2016-19 DRAFT INITIAL BUSINESS PLAN PRIORITIES AND INITIAL DRAFT RWM CORPORATE TARGETS

- 4.1 The Business Services Director presented the RWM 2016-19 Draft Initial Business Plan Priorities and Initial Draft RWM Corporate Targets. The paper also included the timetable for discussion and comment prior to the submission of the draft targets to the NDA in November. There will be further opportunity to change the targets when the final Business Plan is submitted to the Board for approval in February 2016. This is particularly relevant pending the outcome of the Spending Review. The majority of the targets are those set as a Year 2 target in the current Business Plan. There are 24 draft Corporate Targets proposed, with ten for delivery in 2016/17.
- 4.2 The Board commented on the document, observing that the visibility of interdependencies between different targets could be increased and querying whether the timescales in certain targets are sufficiently well defined. The planning assumptions should re-state dependencies on stakeholders and remind third parties of their responsibilities to support delivery by RWM. A narrative should be included on the justification for particular choices of target. The planning assumptions should be made more customer-focused.
- 4.3 The Board approved the document for submission to the NDA noting that further work is needed prior to the final submission in February 2016.

5 RISK MANAGEMENT FRAMEWORK INCLUDING DRAFT RISK POLICY AND APPETITE

- 5.1 The Business Services Director presented the Risk Management Framework to the Board for approval. It was presented to the October Audit and Risk Committee for comment and was well received. It is fully compliant with the Orange Book. An internal audit of Risk Management maturity concluded RWM is at an appropriate level for its stage of development. The Executive has agreed that a number of processes will be implemented including the appointment of Risk Champions at Functional Lead level, bow-tie diagrams as a risk management tool and training for all staff.
- 5.2 The Board felt it important to ensure the RWM risk appetite is compatible with NDA's risk appetite and discussed the formal process to feed in risk management changes by NDA. The Board noted RWM will always operate within the existing HSSE legal and regulatory framework.

Action 18.03: Company Secretary to update Terms of Reference of RWM Audit and Risk Committee to clarify that the NDA representative shall ensure RWM is informed of any changes to NDA's risk appetite or guidance.

Action 18.04: Chairman to raise flowdown of NDA risk management processes to subsidiary companies with NDA Operating Committee.

- 5.3 The Board approved the Risk Management Framework and noted any future changes required to the risk policy and appetite will be brought back to the Board for approval.

6 RADIOACTIVE WASTE MANAGEMENT LIMITED MONTHLY PROGRESS REPORT PERIOD 7, OCTOBER 2015

- 6.1 The RWM Managing Director provided the key highlights from the Monthly Performance Report for Period 7, updating the Board on the latest best estimate of expenditure. The consultation events on National Geological Screening have taken place, with good feedback from attendees. CoRWM felt further input could have been obtained from attendees on the specific questions posed.
- 6.2 **Action 18.05:** Managing Director to report on feedback, benefits and lessons learned from National Geological Screening consultation events.
- 6.3 As part of the Community Representation Working Group work DECC is planning a series of workshops to test developing options for working with communities. RWM will support DECC in this work.

- 6.4 The Managing Director provided an updated on the GDF National Policy Statement, which is undergoing internal scrutiny by DECC. It is expected that further work will be required on credible alternatives. Additional RWM engagement would be useful.
- 6.5 The Waste Package Records project has been accepted by the RWM Executive and NDA Information Governance Programme. RWM now has the responsibility for developing and implementing an estate wide programme for waste package records. RWM Procurement Team has been awarded the Walker Award for its outstanding contribution to collaborative procurement.
- 6.6 The Business Services Director provided an updated on the Business Case for the relocation of the NDA/RWM Harwell office to B329 on the Harwell site. This has been received by the NDA Executive and Government Procurement has approved the approach. The Board were pleased with the outcome, which will have positive implications for the organisation culture.
- 6.7 The Board noted the Monthly Progress Report.

7 REPORTS FROM SUB-COMMITTEES

- 7.1 The Business Services Director updated the Board on the October Audit and Risk Committee, which had focused solely on risk. The Committee reviewed the Risk Management Framework, the internal audit report on risk maturity and the full risks and opportunities register. Positive feedback was provided on the work undertaken. The Board noted that Mr Higgins would no longer be Chair of the Audit and Risk Committee and a successor would be appointed before the next meeting in March 2016.
- 7.2 The Chairman noted the Remuneration Committee met in October and discussed the organisational baseline document, the pay remit, talent and succession planning and the NDA banding structure.
- 7.3 Mr Thegerström had previously circulated a written update regarding the HSSSEQ Committee meeting.
- 7.4 The Board noted the reports from the Sub-Committees.

8 MINUTES AND ACTIONS OF THE PREVIOUS MEETINGS AND REDACTIONS

- 8.1 The Board approved the minutes of the sixteenth and seventeenth meeting of Radioactive Waste Management Limited, subject to a couple of minor amendments to the latter.
- 8.2 The Board reviewed the minutes of the sixteenth and seventeenth 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.
- 8.3 An updated actions list is attached.

9 AOB

- 9.1 The Board noted that the Strategic Options for Higher Activity Wastes paper would be presented as an RWM response to an NDA proposal. The main findings are incorporated into Strategy III. The Managing Director and Chair will meet DECC on this basis and will keep the Board informed of current thinking.
- 9.2 The Managing Director noted it has been difficult to arrange a meeting in Dounreay and it was agreed that Board meetings would be separated from Board visits, allowing greater flexibility of timing. It was suggested that DECC attendance at a visit would be beneficial.

Action 18.06: Managing Director to recommend other locations for Board visits.

10 DATE OF NEXT MEETING AND 12 MONTH LOOK AHEAD

- 10.1 The next meeting will take place on 26th January 2016 at the Harwell Office with a strategy discussion planned for the afternoon.
- 10.2 There being no further business, the Chairman declared the meeting closed.

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Chairman