

RADIOACTIVE WASTE MANAGEMENT LIMITED
(the "Company")

Minutes of the 34th meeting of the board of directors (the "Board") of the Company

held at Building 587, Curie Avenue, Harwell, Didcot, Oxfordshire, OX11 0RH
on 24 July 2018
commencing at 10:00 AM

PRESENT:	Professor Malcolm Morley OBE	Chairman
	Claes Thegerström	Independent Non-Executive Director
	Professor Melanie Brownridge	NDA Nominated Non-Executive Director
	Andrew van der Lem	NDA Nominated Non-Executive Director
	Ann McCall	Sitting and Engagement Director
	Peter Lock	HSSEQ Director
IN ATTENDANCE:	Umran Nazir	Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS and also Head of Geological Disposal, BEIS
	Helena Harding	Business Services Director
	Mike Robinson	PA Consulting (for agenda item 2.1 only)
	Clare Roberts	PA Consulting (for agenda item 2.1 only)
	Alan Frankwood	HSSEQ Advisor (for agenda item 5 only)
	Sally Caswell	Eversheds Sutherland (International) LLP, Secretarial Support
	Stephanie Fox	Eversheds Sutherland (International) LLP, Secretarial Support
APOLOGIES:	Professor Mike Bowman	Independent Non-Executive Director
	Bruce McKirdy	RWM MD
	John Corderoy	Programme Director

1. NOTICE, QUORUM AND APOLOGIES

- 1.1 A quorum being present, Professor Malcolm Morley OBE as Chairman took the chair and declared the meeting open. It was confirmed that notice of the meeting had been given to each director, and the Independent Non-Executive Director Professor Mike Bowman, the RWM MD and the Programme Director had given their apologies.

- 1.2 The Chairman reminded the Board of their statutory duty to promote the success of the Company for the benefit of its member and their statutory duties generally.

2. **DECLARATION OF INTERESTS**

Each director present confirmed that he had no interests to disclose in any transaction or arrangement to be considered at the meeting in accordance with sections 177 or 182 of the Companies Act 2006 and the Company's articles of association. There were no conflicts of interest to report.

3. **CHAIRMAN'S INTRODUCTION**

The Chairman outlined the current status in regard to the Geological Disposal Facility ("GDF") Programme, noting that it was due to be updated by the Deputy Director, Decommissioning, Radioactive Waste and GDF, The Business, Energy & Industrial Strategy Committee ("BEIS"), as he had recently met with the National Secretary of Energy GMB. It was noted that the Company was preparing for the launch and that a decision was anticipated in Autumn, dependent on the decision of the Secretary of State for Business, Energy and Industrial Strategy (the "Secretary of State").

The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS entered the meeting.

RESOLUTION TO APPOINT INDEPENDENT NON-EXECUTIVE DIRECTORS

The Chairman updated the Board on the recruitment of two new Independent Non-Executive Directors. The quality of the applicants had been high and two candidates had been agreed by NDA. The candidates, David Prout, Oxford University Pro-Vice-Chancellor for planning and resources and, Karen Wheeler CBE, Director General for Border Co-ordination, and their experience were outlined to the meeting.:

The Board approved the appointments of David Prout and Karen Wheeler, each having consented to act, as additional directors of the Company and members of the board (the "Appointments"), effective 25 September 2018.

It was noted that Companies House forms AP01 in respect of the Appointments had been prepared and it was resolved that the forms be approved and filed with the Registrar of Companies, and the statutory registers be updated accordingly.

ACTION 34.01: The Chairman to organise dinner prior to the next board meeting, to introduce the two new Independent NEDs.

MINUTES, ACTIONS AND MATTERS ARISING

- 3.1 The Chairman ensured that the Board had received the updated board minutes from the meeting on the 23 May 2018, and confirmed that item 1.6 in the agenda would be covered later in the meeting. The Board agreed that the minutes of the meeting be approved.

- 3.2 The updated actions list was presented to the Board, who agreed that all actions were complete save for the following updates:

Action 32.02: The Organogram should be updated following changes at the end of March;
and

Action 32.04: The Sitting and Engagement Director would circulate the Equality, Diversity and Inclusion ("EDI") action plan.

UPDATE FROM BEIS

The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS, informed the Board that the National Policy Statement submission to the Secretary of State had been completed as the last day was Thursday 26 July 2018. There was still an opportunity to update what

had been submitted, which included lessons learnt during the consultation, how local authorities would be involved and what the proposed options were.

The Board were reminded that the Secretary of State had requested a defined role for local authorities as part of the feedback received on the 2014 White Paper 'Implementing Geological Disposal'. A section of the submission had been added to give flexibility to local authorities.

The Board were further reminded of the three options:

One local authority to be involved in the working with communities phase, then other local authorities would be engaged at the community partnership phase;

No local authorities to be included in the working with communities phase which would allow a longer period for engagement and funding to be spent. The local authorities would be involved from the community partnership phase onwards and it would be a requirement that all local authorities be signed up; or

All local authorities to be involved from the beginning, similar to the approach taken in 2014.

The Board discussed the benefits and practical considerations of each. The Board discussed engagement with the Parliamentary Under-Secretary of State for Industry & Energy, and with local authorities. The Board considered how attractive and empowering the options would be for local politicians and noted the need to understand local challenges and context to successfully engage and gain approval.

The Chairman and the Board discussed the definition of community with reference to definitions arising from electoral boundaries and the underground excavation position and how it had been referred to as part of the consultation. Irrespective of the definition, the community needed to be partnered for the right reasons because of the long term impact and funding for the affected and bordering counties. It was noted that the Community Guidance and other launch documents needed to be ready and published on the Company website which Mike Bowman was leading.

The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS advised that the June Major Projects Review Group ("MPRG") did not take place. It was agreed that an interim MPRG would be scheduled. The anticipated costs, engagement with the Treasury, preparation of the business case and the need to be pro-active rather than re-active was discussed.

ACTION 34.02: The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS to schedule an MPRG in response to the consultation.

The accident at the end of June was noted and the subsequent impact assessment and control of inventory. The NDA Nominated Non-Executive Director, Andrew van der Lem, asked if there was a recruitment update for the BEIS team. The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS, confirmed that applications had been received and that the team were consulting with Adrian Simper NDA to find a good fit for the team.

REPORTS FROM SUB-COMMITTEES

The Board confirmed that the Audit and Risk Assurance Committee Report (minutes of 27 June meeting) and the Remuneration Committee Report (minutes of 23 May 2018 meeting) were taken as read.

The HSSEQ Committee Report was moved to later in the meeting, when the HSSEQ Advisor would join the Directors in the meeting.

PA Consulting Clare Roberts and Mike Robinson entered the meeting for Item 2.1 of the agenda.

RWM'S CULTURE VISION

The Chairman introduced the agenda item, noting that it was important that the Board lay foundations for the Company's culture vision. The NDA Nominated Non-Executive Director, Melanie Brownridge, had provided a code of conduct which the Chairman would distribute to the Board in order that the Company would be aligned with the parent company and NDA group.

Action 34.03: The Chairman to distribute the code of conduct to each Director.

Clare Roberts presented the culture vision presentation and reminded the Board that the aim of the work was to achieve a 'good' culture vision to reflect the Company's values and behaviours. The executive had been engaged extensively during the process in focus groups and various stakeholder groups in the Company had been involved at different stages to ensure inclusion and engagement in relation to the culture vision. This process had been important to ensure engagement with the final vision, rather than imposing a culture on the organisation. It was noted that the culture vision must be strategically aligned with NDA whilst being driven and formed by the Company itself.

The NDA Nominated Non-Executive Director, Professor Melanie Brownridge and Claire Roberts discussed the need to ensure there was a shared understanding and common interpretation of terms used such as 'political'. The Independent Non-Executive Director and the Sitting and Engagement Director noted the impact that business drivers, budget and regulation would have on the vision and how to plan for the next organic phase. It was agreed that the aim was for the Company to develop into a high performing organisation and the Chairman enquired, along with the NDA Nominated Non-Executive Director, Professor Melanie Brownridge, whether the vision was sufficiently strong. He outlined the challenges in stakeholder alignment across the different strata of the business and how the vision would enable the Company to present a unified and confident exterior to stakeholder such as Parliament and the press.

The Board gave feedback on slide 3 'The Business imperatives that will drive culture change' and discussed the imperatives.

The Board discussed the definition of certain terms and agreed that the definition of agile should be adaptable, in a seamless way with willingness to change. The Board discussed the meaning of the word "Empowered/ Empowering/ Empowerment" within the 'Board' and 'Staff' columns. Various definitions were deliberated which included self-credibility, confidence, delegation, trusted, respected, professional, can-do, accessible, decision making, knowledge, responsibilities, being able to act autonomously and organisational empowerment. It was noted that people often need to be supported to feel empowered, and need the requisite training, particularly the leadership teams and future leaders, to feel empowered. It was further noted that one way that people felt empowered was by having a robust and compelling case which was backed up by data, to manage situations and arguments. The Board discussed the risks which could arise from the empowerment of colleagues, noting that communication externally required a certain skill set. The Deputy Director, Decommissioning, Radioactive Waste and GDF, BEIS emphasised that clarity, ability to delegate, accountability and confidence were critical issues in the business. The Sitting and Engagement Director agreed that clarity of governance was crucial to set boundaries and enable people to do their jobs within their areas of expertise. The Board noted the duality of governance with autonomy.

The Board agreed that the safety culture needed to be built, nurtured and driven in the Company as a whole, and that as such, safety should not be taken as read, it should be continually reiterated. The Sitting and Engagement Director and the Chairman agreed the importance of an awareness of risk appetite and the need to be risk aware rather than simply risk averse.

The Board discussed the meaning of "World class" and "Inspirational", how the terms connoted potentially unrealistic impressions and that the word "Leadership" was preferred.

The Board noted slide 7 'External Perspectives' and how stakeholders viewed the Company's progress as slow but that progress was underway nonetheless. Stakeholders wanted to be

consulted at different stages, kept informed on decisions and the Company should listen, understand and respond. The meeting discussed the implementation of the culture vision, the speed of progress, the trust which would be required, and the challenges which would be faced, such as entrenched and learned behaviours, stakeholder engagement and the legacy culture.

The Chairman offered two reflections on what was required in order for the culture vision to succeed:

clarity of individual function and organisational orientation was required, in order to avoid frustration and enable delivery in a solution focused manner; and

the Company should continue stakeholder engagement to ensure co-operation.

The Board discussed how response to the culture and vision would be measured and the link of culture to behaviours. The Siting and Engagement Director suggested measurement methods including flash surveys, quick wins, action groups and feedback from leadership teams. It was agreed that the Board needed assurance that the implementation was progressing and that the culture vision needed to be delivered with passion and confidence with each anchor aligned. The Independent Non-Executive Director noted that momentum and visibility of leadership was key and tangible actions should be returned to Board in due course.

In response to Clare Roberts, the Board confirmed that they were agreeable to the proposed culture vision, subject to amends such as 'empowered' to be removed from Slide 8 and replaced with 'respectful', and 'accessible' to be changed to 'engaging' which aligned with NDA's values. The Chairman noted that the Board needed to demonstrate engagement with the culture vision, both internally and externally and needed to be confident in the action plan to implement the culture vision.

ACTION 34.04: The Chairman to arrange for the final version of the culture vision to be communicated in the Executives workshop in September, with an action plan to be returned to the next board.

DELIVERY AND ASSURANCE OF COMMUNITY ENGAGEMENT FUNDING

The Siting and Engagement Director outlined the Community Engagement Funding to the Board, highlighting specific items such as assurance on further engagement funding, how decisions to allocate the funding would be made and the need to preserve the Company's relationship with the community, regardless whether a service provider would be administering the engagement.

It was noted that the paper had already been submitted to the Siting Delivery Board ("SDB") and Geological Disposal Programme Board "GDPB". The Board challenged the order of consultation and confirmed that they needed oversight and to be made aware of any changes before any decisions were made.

The amount of engagement funding was queried. The Siting and Engagement Director confirmed that the amount was unknown at this stage, and costs such as childcare costs needed to be approved first. The Company needed to assess the interest in such services before any decisions were made. The Board discussed the engagement funding with regard to boundaries, budget and process for engaging contractors.

The NDA Nominated Non-Executive Director, Andrew van der Lem noted that it would be best to initially provide a modest offer initially which could be revised upwards. The Board agreed it would be useful to see the expenses of service providers across the different communities.

The Chairman highlighted the need to have confidence in the implementation of the funding and the fundamental relationships which could be at risk if it was not delivered effectively. The Board discussed ways in which the structure of the delivery could be organised such as

being a subsidiary of RWM or NDA with Chinese walls, or a working group without a formal constitution.

ACTION 34.05: The Siting and Engagement Director to return the paper to the September board meeting with information on the nature of the service providers' involvement and their profit.

RADIOACTIVE WASTE MANAGEMENT LIMITED, MONTHLY PROGRESS REPORT

The Board took the paper as read and the HSSEQ Director asked the Board for any questions. The Board discussed Confiscation events and the HSSEQ Director confirmed that there was no known damage, with the exception of reputational damage. The Board noted the recent introduction of General Data Protection Regulations and requested assurance that actions had been taken to prevent the issue occurring again. The HSSEQ Director advised more detail on the event, noting that an item had been forwarded without taking the correct precautions, that the internal compliance GDPR officer would assess sanctions, and would inform the Board of any implications and future preventative action.

The Board discussed headcount and the HSSEQ Director confirmed that the recent work to improve progression appeared to have reduced turnover and the Company had remained within industry standards at all times.

The Board discussed shared services agreements and the HSSEQ Director confirmed that the Nuclear Magnox work would not be placed and the Company would have a 12 month grace period rather than replacing the contract. The Board discussed the process and timescales for placing work.

The Board provided feedback on the apparent disconnect between the largely green RAG status and commentary relating to actions. The Chairman asked for assurance that the organisation was on track to deliver the campaign, noting that the report appeared to be inconsistent with the May report. The HSSEQ Director confirmed that there were timing challenges which had always presented a stretch to delivery and that subject to the resolution of the items outlined in the report, the Company would be ready to deliver.

UPDATED INFORMATION GOVERNANCE POLICY

The HSSEQ Director informed the Board that the update had been made in time for GDPR and that the paper was to be used internally. The Board agreed that the paper was taken as read.

It was noted that the policy was approved subject to a minor amend to be made on page 98 of the Board pack to emphasise the information retained, and the report would be issued at the September board meeting.

The HSSEQ Advisor entered the meeting.

HSSEQ COMMITTEE REPORT

The Board took the HSSEQ Committee Report of May 2018 as read. The HSSEQ Advisor summarised the conclusions and recommendations to the board as follows:

overall health and safety remained good but two KPIs showed adverse trends, and actions to remedy had been taken by the Company;

the subcommittee noticed frequent postponement of health and safety behaviours and that safety ownership was not proactive by management, this needed improvement;

the Company health and safety culture remained proactive but the subcommittee members were concerned about a number of prevailing behaviours, and that the previously embedded behaviours demonstrated at level 4 in the maturity model had slipped to level 3. The actions being taken were returning the behaviours slowly to a steady 4;

the Board should review the root causes and where there were pressures in the organisation and act accordingly to ensure health and safety matters received the right response and resource, to further increase the status to a higher level 4.

The Chairman confirmed that certain resources were required to be prioritised to sustain a good level 4. The Board discussed the prioritisation and budgeting process.

The HSSEQ Advisor noted that there were 5 levels in the maturity matrix and requested to confirm the Board wanted to aim for level 4. The NDA Nominated Non-Executive Directors Andrew van der Lem and Melanie Brownridge discussed the balance between a realistic approach based on the available human resources and the need to be aspirational. The Board noted the demands on resources and the challenges to prioritise.

ACTION 34.06: The HSSEQ Director to arrange workshops for the departments and individuals and a session for the Board to review HSE maturity levels.

The HSSEQ Advisor left the meeting.

ANY OTHER BUSINESS

The Board noted the documents listed on the agenda that had been submitted for noting only. The Chairman informed the Board that he was attending the QPR meeting in Warrington and would feedback.

4. CLOSE OF MEETING

4.1 There was no other business and the meeting was closed.

4.2 The next meeting will take place on 25 September 2018.



CHAIRMAN OF THE MEETING

