

MINUTES

FROM THE MEETING

OF THE BOARD OF DIRECTORS OF THE

NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO) / SOCIÉTÉ DE GESTION DES DÉCHETS NUCLÉAIRES (SGDN)

convened on February 16th, 2005
via conference call
commencing at 12:30 P.M. EST.

Present

Ken Nash	Director, Chairman
Laurie Comeau	Director
Adèle Malo	Director
Michel Rhéaume	Director

and

Elizabeth Dowdeswell	President
Kathryn Shaver	Corporate Secretary

1. Approval of Agenda

Mr. Nash chaired the February 16, 2005 Board meeting.

Notice of the meeting having been given to all of the Directors of the Company and a quorum of the members being present, Mr. Nash declared the meeting duly constituted for the transaction of business at 12:30 P.M. EST.

The Directors approved the Agenda for the February 16th, 2005 meeting.

2. Minutes of Previous Meetings

The minutes of the meeting of the Board of Directors held on January 27th 2005, copies having been sent to each member of the Board, were approved.

3. Business Arising from the Minutes

The President reviewed the status of actions arising from the January 2005 Board meeting, noting that all actions had been addressed.

4. Report from the Advisory Council

The President reviewed with the Board the items addressed by the NWMO Advisory Council at its January 22, 2005 meeting.

The President noted that much of the Council meeting was convened in camera, without the presence of NWMO management. As part of this meeting, the Advisory Council developed a statement on how it plans to discharge its legislated obligations to provide independent comment on the NWMO study. The Advisory Council has requested that NWMO include this statement in the Draft Study Report that NWMO will be releasing in spring 2005.

5. Findings of the External Audit

Ms. Malo, having chaired the February 16, 2005 meeting of the Audit, Finance and Risk Committee, reported to the Board of the findings of the external audit of NWMO's 2004 financial statements.

She reported on the positive audit results presented to the Committee by the external audit team from Deloitte & Touche. She reviewed the findings of the auditors' report that confirmed the auditors opinion that the financial statements presented fairly, in all material respects, the financial position of NWMO as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ms. Malo summarized the observations of the auditors made during the course of their audit examination. The auditors recommended a more detailed review of accruals at year end to ensure effective matching of accruals with their reversals to ensure that actual expenses match invoiced amounts.

Having reviewed the audit findings and having met with the external auditors to discuss the results, the Audit, Finance and Risk Committee expressed its satisfaction with the completed external audit and the positive results.

6. Audited Financial Statements

Ms. Malo brought forward the Audit, Finance and Risk Committee's recommendation that the Board of Directors approve the 2004 audited financial statements as presented. The Board of Directors accepted the recommendation of the Audit, Finance and Risk Committee.

IT IS HEREBY RESOLVED that:

- Upon the recommendation of the Audit, Finance and Risk Committee, the 2004 Financial Statements for the NWMO's fiscal year ending December 31, 2004, as audited and presented by the external auditors Deloitte & Touche in their January 28, 2005 Auditors' Report, are hereby approved.

The motion was made, seconded and unanimously passed.

7. Contingency Fund

The Chairman invited the NWMO President to address this item.

The President noted that, further to prior discussion with the Audit, Finance and Risk Committee and the Board of Directors, it had been proposed that NWMO retain the unspent 2004 funds in reserve, to be available to support study completion in 2005, subject to prior Board approval.

This proposal reflects the Board's recognition of the high level of activity planned for NWMO in 2005 as it concludes its legislated study requirements. The amount of unspent funds from 2004 is \$585,534. Following last year's practice, this money would be retained as a reserve fund, made available to supplement the previously approved NWMO 2005 annual budget of \$8,000,000 *subject to prior Board approval*.

The President noted further that, in order to finalize the Financial Statements for 2004, the external auditors would require a Board of Directors' resolution confirming that this amount is to be treated as an internally restricted fund.

Speaking for Hydro-Quebec, NB Power and Ontario Power Generation respectively, Mr. Rhéaume, Mr. Comeau and Mr. Nash confirmed their support of this treatment of unspent 2004 funds which would be subject to prior Board approval.

Mr. Nash emphasized that in advance of providing consent for NWMO to access Ontario Power Generation's portion of the contingency fund, he would be required to seek the prior approval of the Province of Ontario. The President committed to review updated budget projections with the Board in mid-2005, and to provide advance notice to the Board if NWMO expected to require access to the contingency fund in order to complete the study.

IT IS HEREBY RESOLVED that:

- The NWMO Board of Directors approve NWMO's access to the unused portion of the 2004 budget to meet contingency requirements that may be identified in 2005, subject to prior Board approval; and
- The NWMO Board of Directors approve the transfer of these deferred member contributions to an internally restricted net assets (contingency) fund for future use.

The motion was made, seconded and unanimously passed.

8. Annual Report

The President introduced the 2004 Annual Report, presented for Board approval.

The Chairman invited Board discussion on the Annual Report. Board members confirmed support for the Annual Report that they found to be an accurate depiction of the NWMO's activities in 2004, reflecting well on the large amount of work undertaken by NWMO in 2004.

The Annual Report will be submitted to the Minister of Natural Resources Canada, and made public, by the end of March 2005.

IT IS HEREBY RESOLVED that:

The 2004 Annual Report of the NWMO is hereby approved.

The motion was made, seconded and unanimously passed.

9. Finalization of Comparative Assessment of Management Approaches

At the invitation of the Chairman, the President introduced this item that had been presented for Board approval.

The President reviewed work undertaken to date on the assessment of costs, benefits and risks of the management approaches under study by NWMO. Completion of the assessment requires some additional work to be commissioned in early 2005. The President confirmed that this work was envisaged and provided for in the 2005 Business Plan, in anticipation of work required to complete the full assessment of management approaches in 2005 under way with the assistance of Golder Associates and Gartner Lee Limited.

The Chairman invited Board discussion on the proposal brought forward by the President. Board discussion ensued. Members expressed support for NWMO proceeding as proposed, to complete the full and balanced assessment of the costs, benefits and risks of each management approach under study.

IT IS HEREBY RESOLVED that:

- The Board provides its approval for the President to contract with Golder Associates Ltd. for a second phase of work, in recognition of the additional work required in 2005 to complete the comparative assessment;
- The President is hereby authorized and empowered for and on behalf of the NWMO to execute a contract with Golder Associates Ltd., not to exceed \$350,000 for 2005, to lead a team that will complete the execution and reports on the comparative assessment of management approaches consistent with the requirements of the *Nuclear Fuel Waste Act* with provisos, agreements and other terms and conditions, as she may in her discretion determine;
- Such contract when executed by her shall be valid and binding upon the Corporation and shall be deemed to contain a correct statement of the terms and conditions upon which such contract has been created and secured in the exercise of the discretion conferred upon the President.

The motion was made, seconded and unanimously passed.

10. Draft Study Report

The President delivered a status update on the NWMO's preparation of the Draft Study Report, addressing:

- the proposed structure of the Draft Study;
- the review schedule proposed to permit Board discussion of each key part of the draft document.

The President noted that specific meetings had been scheduled to review the Draft Study with the NWMO Advisory Council.

Board discussion ensued. The Board expressed interest in reviewing the Draft Study on the schedule proposed by the President, noting that the Draft report would capture the completed results of the comparative assessment of costs, benefits and risks of management approaches.

Mr. Comeau inquired into the NWMO's process for reviewing the study findings with NWMO Members, to ensure Members are kept apprised of the costs and designs of management approaches under study by NWMO. In addition to regular briefings provided to Board members on the NWMO study, the President offered briefings upon request to other individuals in the member organizations. The Chairman noted that scheduled Members' meetings would provide formal opportunities for such briefings.

11. Other Business

- The President reported that NWMO would be sharing recent public opinion research findings with the Board of Directors (*)
- At the request of the Board, the President undertook to distribute the final report form the workshop convened by NWMO on the nature of the hazard of used nuclear fuel. (*)
- The 2005 meeting calendar was reviewed with the Board of Directors.

In closing the meeting, the Chairman expressed the Board's appreciation for the substantial work of the NWMO.

Termination of Board Meeting

There being no other items for discussion, the Directors concluded their session at 1:40 PM EST.

Corporate Secretary
Dated this 30th day of March, 2005