

**MINUTES
OF THE MEETING
OF THE BOARD OF DIRECTORS OF THE**

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

**convened in Toronto, ON
on February 13, 2019
commencing at 9:45 a.m. EST**

Present

Wayne Robbins	Chair
Laurie Swami	Director, President/CEO (by teleconference, except item 5)
Mark Elliott	Director
Lesley Gallinger	Director
Ron Jamieson	Director
Barb Keenan	Director
Josée Pilon	Director (by teleconference)
Janet A. Rieksts-Alderman	Director
Darren Murphy	Director (by teleconference)

Staff in attendance:

Doug Taylor	General Counsel & VP (except item 5)
Michael Hung	Chief Risk Officer & VP, Strategic Initiatives (except item 5)
Georgina Kossivas	Chief Financial Officer (except item 5)
Lisa Frizzell	VP, Stakeholder Relations (except item 5)
Jennifer Spragge	VP, Human Resources & Chief Ethics Officer (partial item 5)
Derek Wilson	Chief Engineer & VP, Contract Management (except item 5)
Gillian Morris	Board Secretary (except item 5)

Guest:

Michael Hare Deputy Chief Nuclear Officer, NB Power (Item 6 only)

1. Constitution of Meeting and Approval of Agenda

Notice of the meeting having been given to all of the Directors of the Company in accordance with the by-laws and a quorum being present, the Chair declared the meeting duly constituted for the transaction of business and called the meeting to order at 9:45 am.

The Chair welcomed new Board member Barb Keenan, Senior Vice President, People and Culture, and Chief Ethics Officer at OPG. The Chair provided the indigenous territory acknowledgement. It was also reported that Michael Hare from NB Power would be participating in the Board education session on the Lifecycle Cost Estimate.

The Chair asked all Directors and Officers, based on the information you received for the meeting today if they could identify any real or perceived conflicts of interest or if they were involved in any related party transactions. Ms. Rieksts-Alderman noted that the Berkley Research Group, of which she is Managing Partner, has been engaged as

a consultant to Ontario Power Generation. Ms. Rieksts-Alderman previously reported this matter in December 2018.

Laurie Swami provided a safety moment related to stair safety.

2. 2018 NWMO Financial Statements

The Chair of the AFR Committee reported on its meeting with NWMO's auditors Deloitte LLP. The auditors reported a clean audit with no significant issues raised. It was stated that Deloitte performed additional IT audit procedures specific to the implementation of the new Enterprise Resource Planning (ERP) system and found no significant issues. Ms. Gallinger reported that there have been no changes to accounting policies. Deloitte noted in their Audit Results report two items related to internal practices and one unadjusted entry. The AFR Committee was satisfied with management's response to these items.

The CFO overviewed key financial highlights and provided some additional detail to the Board on the auditor's comments related to the Statement of Investment Policy and Procedures (SIPP) for the pension plan and the uncorrected misstatement reported by Deloitte. The Chief Risk Officer and Vice President Strategic Initiatives commented on the segregation of duties related to the IT function.

Ms. Gallinger reported that the Committee had an opportunity to meet with the Auditor without the presence of staff or management. The AFR Committee recommended that the Board approve the 2018 audited financial statements.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the AFR Committee, the Board approves the 2018 Financial Statements for the NWMO fiscal year ended December 31, 2018, as audited and presented by the external auditors, Deloitte LLP.

The motion was made, seconded and unanimously passed.

3. 2018 Corporate Performance

The HRCG Committee Chair reported that the Committee was provided with an update on the NWMO's performance against the 2018 Performance Measures and also heard from the Internal Auditor. A full summary of the results was included in the Board material. Management assessed its performance against the approved 2018 Performance Measures with the result of 0.88. The internal auditor agreed with management's assessment of its 2018 performance.

A Committee asked if management was responding to the internal auditor's recommendation to improve the wording for clarity in the 2019 performance measures. Ms. Spragge reported that management has considered the suggestions in the writing of the 2019 Performance Measures.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the HRCG Committee, the Board approves a 2018 corporate performance score of 0.88.

The motion was made, seconded and unanimously passed.

4. Committee Appointments

The HRCG Committee Chair provided the Board with proposed changes to the Board Committee appointments which are intended to better align Committee members' skills and competencies to the Committee's needs.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the Human Resources, Compensation & Governance Committee the Board approves the Committee appointments as follows:

- **Darren Murphy** is removed as a member of the Human Resources & Compensation Committee and appointed as a member of the Audit, Finance & Risk Committee;
- **Wayne Robbins** is removed as a member of the Siting Committee;
- **Barb Keenan** is appointed as a member of the Siting Committee and the Human Resources, Compensation & Governance Committee;
- **Lesley Gallinger** is appointed as a member of the Human Resources Compensation & Governance Committee

The motion was made, seconded and unanimously passed.

5. In Camera Session

The Board held an in camera session.

6. Board Briefing: Life-cycle Cost Estimate

An education session on the Life-cycle Cost Estimate was provided to Directors by Mr. Wilson which outlined:

- The Life-cycle Estimate Requirement & Evolution
- Key Assumptions
- Project Phases
- Estimate Components
- 2016 Estimate Review
- Contingency
- Funding
- 2021 Estimate Planning

The Board discussed the following issues related to the life-cycle cost estimate:

- Technical changes between the 2016 and 2021 estimate (no major changes are expected);
- Whether there are assumptions that are particularly sensitive that would have a great impact on costs; (key cost drivers are: the used fuel container, emplacement and underground development);
- Plans for contingency;

- When the work on further defining the used fuel packaging plant would take place (management stated it would take place over the next 3 years);
- How NWMO is learning from other projects' cost estimating;
- Receipt of a construction license and when NWMO will be considered a "nuclear" project, what needs to be done to prepare for that and how the timing could affect Members' trust fund contributions;
- Whether there was value to Directors visiting the Finnish repository and when that might be possible;
- The length of monitoring for the repository (currently 70 years);
- Retrievability and how it is documented in the cost estimate;
- How Member organizations will work together to optimize the fuel handling costs related to Members' responsibilities;
- How NWMO's work relates to Members' decommissioning work/costs;
- When/how NWMO will access funds for shaft sinking; and
- How NWMO will consider new technologies that develop over the long time frames.

The Board and management had a discussion about contingency included in the life-cycle cost estimate. Management stated that further discussions on contingency would be had with the Board and Members during 2020. The Board agreed with the rationale and justification for levels of contingency being included in the cost estimate which must be well documented for the Ontario Financing Authority (OFA) and the Canadian Nuclear Safety Commission (CNSC).

Mr. Wilson undertook to review the cost estimate to ensure there is clarity on the topic of retrievability.

Conclusion of Meeting

There being no other business, the Chair declared the meeting adjourned at 12:20 pm

* Denotes actions to be taken.



Wayne Robbins
Chair



Gillian Morris
Board Secretary