

MINUTES
FROM THE MEETING
OF THE BOARD OF DIRECTORS OF THE
NUCLEAR WASTE MANAGEMENT ORGANIZATION (NWMO) /
SOCIÉTÉ DE GESTION DES DÉCHETS NUCLÉAIRES (SGDN)

convened in Ottawa, ON
on June 14, 2007
commencing at 12:00 p.m.

Present

Gary Kugler	Director, Chairman
Ken Nash	Director, President & CEO (Items 1-14)
Laurie Comeau	Director
Ron Jamieson	Director (Items 1-16)
Josée Pilon	Director
Deborah Poff	Director
Ian Ross	Director

In attendance

Kathryn Shaver	Vice President, Corporate Affairs and Corporate Secretary (Items 1-11, 13, 14)
Gillian Adshead	Assistant Board Secretary (except for item 12)
Angelo Castellan	NWMO CFO & Treasurer (Items 15, 16 and 17 only) via conference call
Allen Craig	Gowlings (Item 11 only via conference call)
Liz Dowdeswell	Special Advisory to the Board (Item 18 only via conference call)
Frank King	NWMO (Item 11 only via conference call)
Brian Story	Contractor (Item 11 only via conference call)

1. Approval of Agenda and Constitution of Meeting

Dr. Kugler chaired the June 14th, 2007 Board meeting.

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 Chairman declared the meeting duly constituted for the transaction of business and called the meeting to order at 12:00 p.m.

The Agenda for the June 14th, 2007 meeting was approved as circulated with changes to the ordering of items as noted by the Chairman. It was noted that Mr. Nash and Ms. Shaver would be withdrawing from the Board meeting by 3:30 pm to participate in technical briefings of the media concerning the announcement of the government decision.

2. Minutes of Previous Meetings

The minutes of the meetings of the Board of Directors held on February 26, 2007 and April 30, 2007, copies having been sent to each member of the Board, were approved with one editorial comment on the February 26th minutes.

3. Business Arising from the Previous Minutes

The President reviewed the outstanding actions arising from the previous Board meeting. Ms. Shaver reported that a draft governance tracking mechanism had been developed. It was noted that the item relating to development of policies and procedures is on the June 14 meeting agenda for discussion. She noted that the future process for appointing the Advisory Council members would be documented and posted on NWMO's website in the same manner as the appointment process for the Board members.

4. Possible Government Decision and Next Steps

The President debriefed the Board on the pending government decision and NWMO's next steps. He reported to the Board of Directors that the Minister of Natural Resources Canada would be making an announcement on June 14 with respect to a decision on the NWMO's recommendation submitted in November of 2005.

Ms. Shaver reported that once the decision was announced publicly, NWMO would put into effect its communications plan to inform the many organizations and individuals who were involved with NWMO throughout the study. In the weeks following the decision, additional communication items which address NWMO's next steps are planned for posting on the website.

The President discussed NWMO's next steps on key governing documents following the government decision. The new Membership Agreement and By-law which had been drafted in preparation for a government decision and can now be reviewed and finalized with Members and Board approval is targeted for September.

Mr. Nash noted that the funding formula had been agreed upon by member organizations. Consistent with the *Nuclear Fuel Waste Act*, NWMO must include the proposed formula in its next annual report in March 2008 at which time the formula will be subject to Ministerial approval. Drafting of the proposal will be refined over the fall.

Other important work for the coming months includes: further developing NWMO's 5-year Business Plan consistent with the strategic objectives; reviewing business risk; reviewing and developing policies and procedures; and a review of the Advisory Council mandate and composition for the implementation phase. Organizational development will also continue. The President noted that NWMO is continuing to build its capacity and currently has 36 full-time/part-time staff supporting its work program.

Board discussion ensued as the President invited Board comments and questions on his report. Directors found the President's report to provide full coverage of the key issues for the near term.

5. Draft Strategic Objectives

The President introduced the revised NWMO strategic objectives for 2008-2012 and plans for further development. He noted these revised objectives incorporate comments from the previous planning sessions of the Board. It is the NWMO's intent to discuss the draft strategic objectives with a broad range of communities of interest over the coming months and invite input to support the collaborative developments of implementation plans. NWMO will publish and invite comment on these plans by year end (*). NWMO management and staff will be developing workplans flowing from the strategic objectives, to be tabled with the Board in September.

At the invitation of the Chairman, directors discussed and sought clarification on the proposed process. In response to directors' questions, the President confirmed it was NWMO's intent to invite input on the organization's plans with a view to elaborating and refining its implementation plans. The Board expressed a desire to ensure the NWMO tracks its progress against objectives and demonstrates progress in fulfilling its plans and commitments. The Board discussed the desirability of taking stock of achievements against objectives in each annual report.

The President noted that as NWMO moves into implementation it will take the time to conduct a thorough and thoughtful process and build consensus and support with a wide spectrum of interests. While it will be feasible to define milestones, it will be difficult and perhaps unwise to establish fixed timelines. NWMO will track the evolution of the strategic plan, being transparent as it evolves and progresses. The Board emphasized the importance of continuing to track, incorporate and capture input from future dialogues.

The President thanked the Board for the guidance which would be carried forward.

6. Business Risk

The President reviewed the initial assessment of risks facing the NWMO. Mr. Nash reported that the topic of business risk was also discussed by the Audit, Finance and Risk Committee at its June meeting. He explained the intent to further develop the risk assessment in parallel with business planning and to establish mitigating measures. It was reported that NWMO will be reviewing both the short term and longer term risks to NWMO and drawing from the many lessons learned from the early history of AECL's nuclear waste management activities and the Seaborn Panel.

The President noted that both the Audit, Finance and Risk Committee and the Board will be reviewing a more developed risk assessment later in the year.

Mr. Nash and Ms. Shaver responded to questions as the Board discussed areas of possible risk.

7. Update from Advisory Council

On behalf of the Advisory Council Chairman, Ms. Shaver provided an update to the Board on the highlights of the April 16, 2007 Council meeting. She reported that the Council reviewed the draft strategic objectives and discussed the overarching areas for which advice and oversight would be required in the implementation phase. A key focus of discussion was the Council's own composition. Council members agreed that the addition of some members to fill specific gaps in expertise would be appropriate. The Chairman noted that the Council strongly expressed its desire to remain independent.

Ms. Shaver reported that the Advisory Council also reviewed and discussed NWMO's draft strategic objectives.

During the Council meeting, there was a lengthy discussion regarding how NWMO should best adapt to changes in the external landscape, particularly in relation to possible changes in used fuel volumes or types of fuel to be managed.

It was noted that NWMO had a discussion with the Advisory Council on its intent to more actively seek out the participation of young people. One director noted that many Aboriginal groups have youth councils to support decision-making to the benefit of seven generations. Discussion followed on possible models to be adapted by the NWMO.

Ms. Shaver reported to the Board that all Council members had agreed to extend their appointments until December 2007 as proposed by the Board.

8. Proposed Framework for Advisory Council

The President introduced the discussion of the proposed framework for the Advisory Council. He noted that he was seeking agreement in principle from the Board on the revised Advisory Council terms of reference and general areas of required expertise.

Ms. Shaver introduced the proposed revisions to the terms of reference and membership. Revisions have been made to recognize that the NWMO will be moving into the implementation phase while remaining aligned with the membership and the requirements defined in the *Nuclear Fuel Waste Act*.

At the invitation of the Chairman, the Board discussed: the draft terms of reference, the critical path for confirming new Council membership, how best to assess the current areas of expertise of the Council; and how to conduct a suitable recruitment process for new members as required. The Board strongly supported NWMO's proposal to engage a search firm to coordinate the process and to identify new candidates. The Board was also in agreement that the search firm should be responsible for developing the competency matrix, conduct interviews with the Council members to assess existing areas of expertise, and to inquire as to each current Council member's interest in staying on as NWMO assumes its implementation mandate from the government. At the Board's suggestion, current members would be encouraged to propose candidates to NWMO.

The Board concurred with the proposed approach and directed the President to proceed with engaging a search firm and initiating the process to support new membership being confirmed by January 2008.

9. NWMO Governing Document Framework

The President informed the NWMO Board of the proposed governing document framework for the development and oversight of policies and procedures. He noted that a number of corporate and financial policies and procedures were established during NWMO's study phase. As previously directed by the Audit, Finance and Risk Committee, NWMO plans to review, update and expand its policies as appropriate for the implementation phase of its operations. The President proposes to review and update policies and procedures in two phases as part of the transition to a sustaining organization with an expanded budget, a significant technical program and increased staffing levels.

Phase I of this process examines NWMO's near-term requirements, such as financial and purchasing procedures. A defined plan for the Phase I work has now been completed and, subject to the Board's agreement, the identified documents will be drafted. Once formulated, the procedures will be examined by a third party.

Phase II will examine the longer-term management system objectives for NWMO. As part of this work, NWMO will review the best practices of similar organizations and determine the standards which NWMO wishes to achieve.

The President invited comment on the proposed framework for governing documents. Recognizing that some of the technical program will be of benefit to both the NWMO project and the OPG Kincardine repository, the Board requested that NWMO document explicitly the costs that would be allocated between these two programs. The Board proposed a more detailed process for separate record-keeping between NWMO and OPG technical work. The President noted that there was a process in place to account for this but agreed that it could be further documented to ensure full transparency (*). The Board discussed the benefits of identifying as early as possible the proposed quality assurance systems. Directors tabled questions concerning the updates of cost estimates and the intent of some proposed policies. The Board expressed its agreement with the overall plan as presented.

10. Status Report: Organization / Staffing Development

The President updated the Board on progress towards equipping NWMO with qualified staffing resources necessary to implement a government decision. He reported that the NWMO was effectively transitioning from a study organization to a sustaining organization.

Staff have been added in the engagement, technical and social research areas of NWMO. The President committed to bring forward a longer-term plan to the Board in November (*). The President noted that, in particular, expertise may need to be added in the areas of human resources and legal counsel.

The Board was invited to comment on the information presented. Discussion ensued as directors reviewed priority areas of expansion.

11. NWMO Human Resources Planning

The Chairman introduced Mr. Allen Craig (Gowlings) and Mr. Brian Story (contractor) to speak to NWMO's human resources planning. Mr. Craig presented some considerations for NWMO's longer-term resource planning as an independent organization.

In discussion, directors asked a number of questions and sought clarification on possible next steps. The President stated that he would like to develop cooperative plan with the unions. The Board encouraged NWMO to continue developing its plans and to engage the unions in this discussion. This topic will be brought to the Board for further discussion in September and an update will be provided at that time after meetings are initiated with the OPG unions involved (*).

12. In Camera session of Directors

The Board convened a private session without the presence of NWMO staff.

13. 2008 Board and Committee Meeting Schedule

The directors reviewed the proposed meeting schedule for 2008 and agreed to inform the Assistant Board Secretary of any conflicts. (*)

14. Draft Report of Directors

The Chairman introduced the 2006 Report of the Directors, tabled for Board review and approval.

The requirement for this Report flows from NWMO By-Law No. 1 (s. 6.2). The By-Law requires the Board of Directors to present to Members, at each Annual General Meeting, a report outlining the activities for the preceding year.

The Chairman noted that the Report highlights key aspects of the NWMO operations and activities for the 2006 financial year, and provides a general sense as to the directions planned for 2007. The Chairman stated that subject to Board approval, the Report would be tabled with NWMO Members at the June 21st, 2007 Annual General Meeting.

The Chairman invited discussion on the Report. Mr. Ross, the Chair of the Audit, Finance and Risk Committee reported that the document had been reviewed at the Committee's meeting on June 5, 2007. Following discussion, the Board endorsed the Report pending one minor change, finding it to be a comprehensive and accurate summary of the NWMO's activities.

IT IS HEREBY RESOLVED THAT:

The Board of Directors, having reviewed the 2006 Report of Directors as presented at its June 14, 2007 meeting, approves the Report for tabling with NWMO Members.

The motion was made, seconded and unanimously passed.

The Chairman reminded all directors that they are invited to attend the Annual General Meeting of Members on June 21.

The President reported that as of June 30, all of the member companies are planning to make changes to their designated representatives of the Members: Mr. Jim Hankinson representing Ontario Power Generation; Mr. David Hay representing NB Power; and Mr. Richard Cacchione representing Hydro-Québec.

Mr. Nash and Ms. Shaver withdrew from the meeting.

15. Quarterly Financial Update

The Treasurer, Mr. Angelo Castellan, provided the Board with a financial update for the first quarter of 2007. The report, having previously been reviewed by Audit, Finance and Risk Committee, was examined by the Board.

Mr. Castellan reported that it was typical for the first quarter to be under spent as programs become established. The technology research program is on track with its budget but the social research program is under spent due to a key staff member being on long-term medical leave. It was also reported that the office move is expected to come within budget.

The Chairman opened the floor to questions and then thanked Mr. Castellan for his report.

16. Banking Resolution – Signing Authority

The Treasurer brought forth for Board approval an amendment to the NWMO banking resolution to update the bank's signing authority register as a result of recent personnel changes. This will also assist to streamline the process with the bank so that each time personnel changes in a key position, the President may change the signing authority without passing a Board resolution.

IT IS HEREBY RESOLVED THAT:

The President is authorized to change banking signatory authorities with NWMO's banker that reflect personnel changes to the positions of President, Treasurer/Chief Financial Officer, Vice President, Corporate Affairs and Corporate Secretary, and Finance Manager.

The motion was made, seconded and unanimously passed.

Mr. Jamieson withdrew from the meeting.

17. Update from the Audit, Finance and Risk Committee

The Chair of the Audit, Finance and Risk Committee provided an update to the Board on the Committee's June 5, 2007 meeting. Amongst others, at this meeting the committee considered the appointment of external auditors. Four proposals were solicited from various auditing firms. After discussion, the Board agreed that it was appropriate to recommend Deloitte & Touche LLP as NWMO external auditors for the coming three years.

IT IS HEREBY RESOLVED THAT:

The Board of Directors recommend to the Members that they appoint Deloitte & Touche LLP as the auditors for the NWMO for each of the 2007, 2008 and 2009 external audits, subject to the terms for remuneration to be confirmed by the Board of Directors.

The motion was made, seconded and unanimously passed.

The Chairman also reported that the Committee discussed cash flow reporting and a number of other of matters.

18. Update on Siting Plan Preparation

The Special Advisor to the Board, Ms. Dowdeswell, joined the meeting via conference call to provide the Board with an update on her recent activities. Ms. Dowdeswell reported that her workplan remains on track and that, in consultation with NWMO staff, a critical path has been developed for the siting plan discussion document.

The Special Advisor provided the Board with a detailed report on her recent visit, accompanied by several NWMO staff, to the Waste Isolation Pilot Plant (WIPP) in Carlsbad, New Mexico. The WIPP facility is the world's first underground repository licensed to safely and permanently dispose of transuranic radioactive waste.

The group held 15 interviews with people who represented an array of experience and interest in WIPP to investigate what the conditions were at the time to make siting successful and what continues to keep it successful. The group discussed what factors were instrumental in facilitating the establishment and operation of the facility, the approach that was used, what type of engagement was conducted and what issues were faced.

Insights revealed during the visit were, amongst others, the importance of: a strong commitment by the U.S. Department of Energy to the welfare of the community and the project; emphasizing safety; having a physical presence in the community; building trust and relationships within the community; taking the time necessary rather than focusing on "due dates" and maintaining credibility through transparency and consistently high performance.

The Board asked several questions relating to building community capacity, transportation of the waste and the type of community surrounding the site. The Chairman thanked Ms. Dowdeswell for her comprehensive report.

19. Other Business

The Chairman reported that Mr. Laurie Comeau was departing the Board, to be succeeded by Ms. Sharon MacFarlane of NB Power. The Chairman thanked Mr. Comeau for his years of dedicated service to the NWMO Board.

Conclusion of Meeting

There being no other business, the Chairman declared the meeting terminated at 4:00 pm.

(*) Denotes actions to be taken.

Kathryn Shaver
Corporate Secretary

Dr. Gary Kugler
Chairman