

**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 Toronto, ON**  
**on February 26, 2007**  
**commencing at 9:00 a.m.**

**Present**

Gary Kugler	Director, Chairman
Ken Nash	Director, President
Laurie Comeau	Director (Via conference call)
Fred Long	Director, Chair of Audit, Finance and Risk Committee
Josée Pilon	Director (Via conference call)

**In attendance**

Kathryn Shaver	Vice President, Corporate Affairs & Corporate Secretary
Gillian Adshead	Assistant Board Secretary
Michel Rhéaume	Former Director

**Via conference call**

David Crombie	Chairman, Advisory Council (Agenda Item 15)
Elizabeth Dowdeswell	Special Advisor to the Board (Agenda Item 13)

1. **Approval of Agenda and Constitution of Meeting**

Dr. Kugler chaired the February 26<sup>th</sup>, 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 9:00 a.m.

The Agenda for the February 26, 2007 meeting was approved as circulated.

2. Minutes of Previous Meeting

The minutes of the meeting of the Board of Directors held on November 24th, 2006, copies having been sent to each member of the Board, were approved with one amendment.

3. Business Arising from the Minutes

The President reviewed actions arising from the previous Board meeting. Further to the suggestion of the Board, it was reported that a facilitator had been arranged to support the upcoming strategic planning session. The President reviewed the status of a number of financial items that had been discussed with the Audit, Finance and Risk Committee.

4. Report from the President

The President discussed with the Board the absence of a government decision, and implications for the current workplans. The Board was in agreement that NWMO should continue on its current course preparing for implementation, including building the internal capacity of the organization

Mr. Nash reported that both the Membership Agreement and the By-Law had been drafted and were ready for finalization following a government decision. He also noted that the funding formula had been agreed to in principle by all Members, and a refined draft would be re-issued to Members shortly.

It was reported that OPG would be appointing two new independent directors: Mr. Ronald Jamieson and Dr. Deborah Poff as of March 1, 2007. In addition, Mr. C. Ian Ross would be succeeding Mr. Fred Long's position following his departure from the Board, also as of March 1, 2007. It was also noted that, in January, Ms. Josée Pilon had been appointed by Hydro-Québec. The Advisory Council was updated on the new director appointments at their February 21<sup>st</sup> meeting.

The President reported that a significant focus of NWMO's work in early 2007 has been on preparing for the strategic planning session of the Board on March 19<sup>th</sup> and 20<sup>th</sup>, 2007. It was reported that the Advisory Council had reviewed and provided input into strategic planning considerations at its February 21<sup>st</sup> meeting and will be further discussing the topic at its April meeting. It was noted that the Board Chair will be in attendance at this Council meeting.

The President reviewed a number of meetings and outreach activities completed since the Board last met. He noted the upcoming teleconference of the Aboriginal Working Group in preparation for its next meeting in April. In February, NWMO, in conjunction with Navigator, continued its series of focus groups in Regina, Montreal and Saint John to continue exploring expectations for implementation. He also noted NWMO will participate in the annual meeting of the Canadian Association for Nuclear Host Communities in Ottawa on February 28.

Mr. Nash reported that NWMO signed an international cooperation agreement with SKB (NWMO's equivalent organization in Sweden) in order to facilitate an exchange of information and on-going bilateral meetings.

Internally the organization continued preparing for implementation by reviewing its policies and procedures. In its efforts to expand staff capabilities, NWMO extended offers for intern positions and continued its search for additional social sciences research staff. The President reported that NWMO anticipates moving into its new offices in the summer. Despite the physical separation, the technical research and development staff became part of NWMO as of January 1, 2007.

5. Findings of the External Audit

Mr. Long, Chairman of the Audit, Finance and Risk Committee, reported to the Board on the findings of the external audit of NWMO's 2006 financial statements.

At the February 23<sup>rd</sup> meeting of the Audit, Finance and Risk Committee, Deloitte & Touche delivered the results of the 2006 year-end audit. Mr. Long reviewed the findings of the auditors' report, noting that there were no reportable matters and therefore no management letter issued this year. He reported that, in the opinion of Deloitte & Touche, the 2006 year-end financial statements present fairly, in all material respects, the financial position of NWMO as at December 31, 2006 and that the results of its operations and its cash flows for the year then ended are in accordance with Canadian generally accepted accounting principles.

The Board of Directors expressed its satisfaction with the completed external audit and the positive results.

6. Audited Financial Statements

On behalf of the Audit, Finance and Risk Committee, Mr. Long tabled the audited financial statements for Board review and approval.

He reported that the Audit, Finance and Risk Committee, having previously reviewed the audited financial statements for 2006, was recommending that the Board of Directors approve the statements.

The Board Chairman invited comment and questions. Following discussion, the Board of Directors accepted the recommendation of the Audit, Finance and Risk Committee.

**IT IS HEREBY RESOLVED THAT:**

Further to the recommendation of the Audit, Finance and Risk Committee:

The 2006 Financial Statements for the NWMO's fiscal year ending December 31, 2006, as audited by the external auditors Deloitte & Touche in their February 23<sup>rd</sup>, 2007 Audit Results Report, are hereby approved.

The motion was made, seconded and unanimously passed.

7. Annual Report

Ms. Shaver was invited to introduce the 2006 Annual Report, presented for Board approval.

The Chairman invited Board discussion on the Annual Report. Board Members proposed some minor editorial enhancements for clarity. The Board confirmed support for the Annual Report, which is intended to accurately reflect the work undertaken by the NWMO in the last fiscal year.

The Chairman recognized and thanked Michel Rhéaume for his efforts in arranging the review of the French translation of the Annual Report.

The Chairman noted his appreciation to the staff for their efforts on the Annual Report and looks forward to its submission to the Minister in March.

**IT IS HEREBY RESOLVED THAT:**

The 2006 Annual Report of the NWMO is hereby approved.

The motion was made, seconded and unanimously passed.

8. Approval of Board Charter and Position Descriptions

The Chairman invited discussion on the final draft of the Board Charter, the Board Chairperson's position description and the President and CEO's position description. With the incorporation of a few minor editorial refinements, the Board approved these documents.

**IT IS HEREBY RESOLVED THAT:**

The Board of Directors approve the following as written:

- The Charter of the Board of Directors;
- The Board Chairperson's position description; and
- The President and CEO's position description.

The motion was made, seconded and unanimously passed.

Upon the request of the Chairman, the Corporate Secretary undertook to develop and maintain a tracking checklist for the Charter, to ensure all tasks and oversight activities required by the Charter will be undertaken by the Board on an on-going basis. (\*)

9. Approval of Siting Committee Charter

The Chairman invited discussion on the final draft of the Charter and the Chairperson's position description for the new Siting Committee of the Board of Directors. The Board approved both documents as written. It was noted that while NWMO was not proceeding

with the design of a siting process, or the associated public dialogue, in advance of a government decision on the management approach, establishment of the Siting Committee would ensure that oversight is in place to support future work on the siting process design.

**IT IS HEREBY RESOLVED THAT:**

The Siting Committee Charter and the Siting Committee Chairperson's position description be approved as written.

The motion was made, seconded and unanimously passed.

10. External Director Remuneration

The Chairman brought forward a resolution for approval to confirm the remuneration schedule for external directors. The Board agreed to adopt the proposed remuneration schedule.

**IT IS HEREBY RESOLVED THAT:**

The Board of Directors fix remuneration for External Directors based on the final remuneration schedule proposed at the November 23, 2006 meeting. An External Director is defined as a Director of the Board of the NWMO who is not also an employee of NWMO, an NWMO Member or a provincial government.

The motion was made, seconded and unanimously passed.

11. Appointment of Treasurer

The President introduced a proposal to appoint NWMO's Treasurer. It was acknowledged that, as the NWMO expands in preparation for implementation, the budget responsibility and workload of this position will expand. The President proposed to the Board that Angelo Castellan assume the position of Treasurer and CFO for NWMO. Mr. Castellan would come to NWMO with an extensive background working for Ontario Power Generation within the waste management area, familiarity with the funding formula and having significant financial expertise. As Treasurer, Mr. Castellan would be appointed as an Officer of the corporation.

**IT IS HEREBY RESOLVED THAT:**

Effective March 1, 2007, the following person be appointed to hold the office of Treasurer until such time as a successor is elected or appointed:

- Angelo Castellan.

The motion was made, seconded and unanimously passed.

12. Review of Policies and Procedures

The President presented the Board with a progress update on the policies and procedures currently being reviewed by NWMO. While some policies and procedures are already in place, NWMO will consider what is needed as it develops from a task force organization into the longer term implementation organization. In its effort to achieve the highest standard of governance, the President committed to bringing a finalized plan for policies and procedures to the Board at its June meeting.

An internal task force has been in place to review the governance architecture and make recommendations. The task force is also examining policies and procedures in place at other similar organizations. One of the key considerations is the type of quality assurance program that should be applied to NWMO such as the N285, ISO 14001 or 9001 standards. The President invited discussion around the policies and procedures review and noted that the Board will be asked to approve the finalized approach in June.(\*)

The Board expressed its concerns relating to the small number of existing staff becoming overly burdened with a cumbersome system. The Board appreciated that NWMO had effectively maintained its records throughout the study phase and agreed that as the organization grows and changes, the importance of accurate, reliable and transparent record-keeping and continuity of information will be of great importance to the organization's ability to fulfill its mandate.

13. Update from Special Advisor to the Board

Liz Dowdeswell, the Special Advisor to the Board of Directors, joined the meeting to provide an update to the Board on the collaborative siting process project. She reported that all Phase 2 activities are on target. Specifically, Ms. Dowdeswell commented that internal research, including "conversations" with practitioners and experts was continuing and a site visit to the Waste Isolation Pilot Plant (WIPP) in Carlsbad, New Mexico was in the planning stages.

Ms. Dowdeswell also reported that Doug Wright, former Director of Programs for the Commission of Environmental Cooperation of North America has accepted a six-month position with NWMO to support the project.

14. Review of Strategic Planning Process

The President reviewed with the Board the strategic planning process. The outcome of the exercise will be a five-year strategic plan which will be fully developed by September and be a solid basis for assembling the five-year business plan. The President noted that the Advisory Council provided initial feedback on the current NWMO Mission, Vision and Values and provided input on the material being prepared for the strategic planning session of the Board.

The second session of strategic planning will be held on April 30<sup>th</sup> and May 1<sup>st</sup> to further consider strategic goals for the five-year plan. The Board will review a first draft of the strategic plan at the June Board meeting. This plan will also be discussed with the Advisory Council.

The Chairman reiterated his support for, and the importance of, the strategic planning initiative. He noted that it will also be a useful vehicle in familiarizing the new Board members with the issues facing NWMO and to gain their insights throughout the process.

The Corporate Secretary noted the upcoming meetings of the Board:

- March 19-20, Strategic Planning Session #1 - Toronto
- April 30 – May 1, Strategic Planning Session #2 - Toronto
- June 14, Board Meeting – Saint John, New Brunswick

15. Update on Advisory Council Meetings

David Crombie, Chairman of the Advisory Council provided an update on the February 21<sup>st</sup> Advisory Council meeting.

Mr. Crombie reported that the Council received a report from the President regarding NWMO's preparatory work for implementation including the status of the by-law, membership agreement and funding formula. The President also briefed the Council on the new appointments to the Board.

The Council reviewed and had considerable discussion regarding the strategic planning preparation for the upcoming session of the Board. Council provided specific advice to the Board regarding areas requiring further elaboration. Overall, the Council was very pleased with the range and depth of issues and information that was proposed for presentation to the Board at the strategic planning session.

The Council also discussed the overarching governance structure for the NWMO going forward; and committed to having a more in-depth discussion at its April meeting regarding the future terms of reference for the Advisory Council.

16. Other Business

The Chairman took an opportunity to thank Fred Long for his service on the NWMO Board as one of the founding directors. He thanked Mr. Long for his efforts since 2002 as director and chair of the Audit, Finance and Risk Committee, and specifically noted the milestone achievement during his tenure of submitting the Final Study in 2005.

*Ms. Shaver and Ms. Adshead withdrew from the meeting.*

17. In-Camera Session

The Board discussed and approved the performance objectives for Ms. Dowdeswell as written, and Mr. Nash's, with one amendment.

**IT IS HEREBY RESOLVED THAT:**

The Board approve the 2007 annual performance objectives for:

- President, Ken Nash; and
- Special Advisor to the Board, Liz Dowdeswell

as proposed in Schedule A and Schedule B, respectively.

The motion was made, seconded and unanimously passed.

Conclusion of Meeting

There being no other business, the Chairman declared the meeting terminated at 11:30 am.

(\*) Denotes actions to be taken.

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Kathryn Shaver  
Corporate Secretary

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Dr. Gary Kugler  
Chairman