

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 Fredericton, New Brunswick
on May 24th, 2006
commencing at 7:00 P.M.

Present

Ken Nash	Director, Chairman
Laurie Comeau	Director
Fred Long	Director, Chair of Audit, Finance and Risk Committee
Michel Rhéaume	Director

In attendance

Elizabeth Dowdeswell	President
Kathryn Shaver	Executive Director, Secretary

1. Approval of Agenda

Mr. Nash chaired the May 24th, 2006 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 7:00 P.M.

The Agenda for the May 24th, 2006 meeting, as circulated, was approved.

2. Minutes of Previous Meeting

The minutes of the meeting of the Board of Directors held on February 28th 2006, copies having been sent to each member of the Board, were taken as read and verified.

3. Business Arising from the Minutes

The President reviewed the status of actions arising from the February 28, 2006 Board meeting, noting actions since taken by NWMO concerning communications and the scheduling of meetings of the Board of Directors and NWMO Members.

4. 2005 Report of the Directors

The Chairman introduced the 2005 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 2005 financial year, and provides a general sense as to the directions planned for 2006. The Chairman stated that subject to Board approval, the Report would be tabled with NWMO Members at the 2006 Annual General Meeting.

The Chairman invited discussion on the Report. Mr. Long reported that the document had been reviewed by the Board's Audit, Finance and Risk Committee on May 9, 2006. Following discussion, the Board endorsed the Report, 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 2005 Report of Directors as presented at its May 24, 2006 meeting, approves the Report for tabling with NWMO Members.

The motion was made, seconded and unanimously passed.

5. External Audit

The Audit, Finance and Risk Committee tabled a Committee memorandum with comments relating to the external audit of the NWMO.

- o Mr. Long, Committee Chair, reviewed the process followed for the audit, and shared the Committee's comments on the effectiveness of the 2005 external audit. Having met with the auditors before and after the audit, and having had access to independent communication with the auditors, the Committee is pleased to report its satisfaction with the scope of the audit and the approach taken by Deloitte & Touche. In the Committee's view, the auditors met the terms of the agreed audit plan. The Committee believes that the auditors conducted an effective audit for the NWMO and provided an independent opinion on NWMO's financial statements. The auditors, finding no significant issues or reportable matters, had not issued a management letter following the year-end audit.

- Mr. Long reported that the Audit, Finance and Risk Committee had considered the issue of appointment of auditors for the upcoming year. The Committee proposes, for Member consideration, the re-appointment of Deloitte & Touche for the transition year of 2006. It is also the Committee's view that a competitive bidding process for external auditors should be undertaken once NWMO moves into the next phase of its mandate. In discussion, Directors expressed support for this approach. The Committee's advice will be offered to Members to support their upcoming deliberations on the appointment of the external auditors for NWMO's 2006 fiscal year.

6. Report from the Audit, Finance and Risk Committee

Mr. Long provided a verbal report on the items addressed in the most recent Audit, Finance and Risk Committee meeting, convened May 9, 2006.

7. Business Risk

The President highlighted areas of potential business risk relating to the transition and early implementation phases of NWMO's mandate. It was noted that NWMO had recently convened a discussion on business risk with the Audit, Finance and Risk Committee. Extensive discussion followed, as the Chairman invited Directors to consider areas of potential risk and actions taken to manage those risks. In discussion, Directors expressed their concurrence with the mitigative measures being undertaken by NWMO.

8. Quarterly Financial Statement

The President presented the Board with a summary of expenditures for the first quarter of 2006. She reviewed highlights of expenditures against major business plan categories. It was reported that as of March 31, 2006, NWMO expenditures were on track, totaling \$744,679, accounting for 23% of the annual budget allocation.

9. In-Year Budget Projections

The President presented the Board with an updated projection of year-end expenditures for 2006. NWMO continues to project year-end expenditures in line with the original annual budget projection of \$3.265 million previously approved by the Board. Within the overall budget, NWMO is projecting a redistribution of expenditures across some budget categories for 2006.

10. President's Report

In delivering a verbal update on NWMO activities to the Board, the President reported on:

- The participation of the Chairman, President and Executive Director in Canada's delegation to the Joint Convention on Safety in Radioactive Waste and Spent Fuel Management;
- Formal presentations delivered by NWMO at a range of international conferences and industry meetings in May 2006;
- Recent announcements from France and the United Kingdom concerning proposed directions for long-term used fuel management; and
- The nature of ongoing public inquiries and correspondence directed to NWMO.

11. Update from the Advisory Council

At the request of the Advisory Council Chairman, the Board received an information update on the items addressed by the Advisory Council during its meetings convened in March and May 2006.

Mr. Nash debriefed the Board on the update that he had delivered at the May Advisory Council meeting. His update to Council had addressed preparatory governance work being led by the Board and members to support NWMO's transition into an implementing organization following a government decision. In his update to the Council, Mr. Nash had emphasized that Directors and Members were fully supportive of the need to take positive steps as described in the proposed Adaptive Phased Management, and that efforts were underway to ensure appropriate governance and readiness for a government decision.

12. Other Business

The Chairman delivered an update on Member deliberations now underway to confirm cost-sharing arrangements and other key directions that will guide amendments to the membership agreement and general by-law in support of the upcoming implementation phase of NWMO's operations.

13. Meeting Calendar

Directors reviewed the schedule of meetings proposed for 2006. It was acknowledged that additional meetings may be required to support Member reviews of the draft by-law and membership agreement and to accommodate a strategic planning session for the Board of Directors. Fall and winter meeting dates are subject to confirmation.

Conclusion of Meeting

There being no other business, the Chairman declared the meeting terminated at 9:30 PM.

Kathryn Shaver
Corporate Secretary

Ken Nash
Chairman