

**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 November 24th, 2006  
commencing at 8:30 A.M.**

Present

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

In attendance

Kathryn Shaver	Executive Director, Corporate Secretary
Gillian Adshead	Assistant Board Secretary

Via conference call

Elizabeth Dowdeswell	Special Advisor to the Board (Agenda Item 15)
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1. Approval of Agenda and Constitution of Meeting

Dr. Kugler chaired the November 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 8:30 A.M.

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

2. Minutes of Previous Meeting

The minutes of the meeting of the Board of Directors held on September 25th, 2006, copies having been sent to each member of the Board, were approved with one amendment proposed by the Board.

3. Business Arising from the Minutes

The President reviewed the status of actions arising from the September 25th, 2006 Board meeting, noting that many of the outstanding items would be addressed at today's meeting of the Board. The President noted that Action Item #5 concerning the facilitation of the 2007 strategic planning sessions was still under consideration.

4. Report from the President

In his verbal report the President updated the Board on the organization's transitional activities. In setting the context, the President noted that while a government decision had not yet been taken on the NWMO recommendation, the organization was proceeding with preparatory work.

On governance matters, Mr. Nash reviewed the status of the new Members' Agreement and By-Law noting they were both nearing completion. Drafting of the funding formula is also underway. He noted that the Nuclear Fuel Waste Act requires that NWMO present the funding formula for Ministerial approval following a government decision. The President reviewed the schedule for preparing NWMO's Annual Report and obtaining Board input.

The President updated the Board on activities designed to prepare the organization for its implementation mandate. Work continues to develop a sustaining organization to ensure continuity of staff. Initial steps under way include broadening the internal capability by integrating technical staff from OPG and recruiting graduate trainees in the areas of social research and engagement. In the discussion that ensued, the Board underscored the importance of attracting and retaining staff and proposed that this priority of ensuring institutional strength and continuity be brought forward for continued discussion in the course of the 2007 strategic planning. In his report the President confirmed that NWMO has secured new office space to accommodate a growing core group of staff. Plans are underway to move offices in late spring 2007.

In reviewing NWMO's recent engagement and outreach, the President provided highlights from the second NWMO Elders' Forum, held in October 2006. He noted that the opening dinner and ceremony was very well attended by NWMO staff and several Advisory Council members.

The President reviewed a number of presentations given during the month by NWMO staff at the request of various universities and other organizations. A series of focus groups, led by Navigator, were held in November, focused on exploring issues of interest to the NWMO around institutional trust and credibility. The President reported that the NWMO has become a collaborator and supporter of the Canadian Business Ethics Research Network (CBERN) led by Dr. Wes Cragg at York University. The NWMO also hosted a session with the Joint Waste Owners to discuss a range of issues of mutual interest concerning nuclear waste management, including AECL's role in NWMO.

5. Chairman's Update

The Chairman provided an update on the search in progress on behalf of OPG for two additional directors for the NWMO Board. Current planning targets would provide for new Board members to be in place early in 2007.

6. Approval of Remuneration for External Directors

The Chairman tabled for Board approval a schedule of remuneration for external directors. The Board reviewed the remuneration, which was based on external benchmarking data from relevant organizations and concurred with the proposed fee schedule. The fee schedule is judged to be in a compensation range that ensures NWMO attracts directors with the appropriate skills and experience. It was noted that the compensation would be applied uniformly to all external directors on the Board and would not vary amongst external directors.

**IT IS HEREBY RESOLVED THAT:**

The Board of Directors fix remuneration for External Directors within the proposed range. An External Director is defined as a Director of the Board of the NWMO and who is not also an employee of NWMO, of an NWMO Member or of a provincial government

The motion was made, seconded and unanimously passed.

7. Board Committees

A draft Charter for the Siting Committee of the Board and a position description for the Chair of that Committee were presented and discussed.

The Board unanimously endorsed the proposal to establish a Siting Committee, noting the importance of siting in the coming years and the significant role the Committee would play in contributing to oversight of that important activity.

The Chairman suggested that the Special Advisor to the Board, who is designing the siting process, would be an ex-officio member of the Committee.

Discussion ensued as the Board provided comments and suggestions around the mandate, operations and membership of the Committee, the Charter, and the Committee Chair's position description. The Board directed that both documents be refined to take into account the discussion and be brought forward to the Board for approval at the next meeting (\*).

8. Oversight of Research

The President led a discussion on possible options for oversight of the technical and social research programs. He noted that the development of these oversight functions will continue in 2007 as NWMO gathers expert advice and considers possible structures for oversight.

The Board had a lengthy discussion regarding possible options for oversight of the technical program during the implementation phase. The Board expressed its desire to ensure that it fulfills its direct oversight obligations for the technical role, and the decisions made within the technical program, while also gaining outside expertise and advice. This item will be carried forward to the 2007 Strategic Planning sessions for further discussion (\*).

9. Board Governance

The Chairman tabled three draft governance documents for Board discussion and input. In introducing this item, Dr. Kugler noted that the following three documents were under preparation as part of NWMO commitment to good governance practices:

- Draft Board Charter;
- Draft Chairman's position description; and
- Draft President's position description.

The Board carefully considered these documents and provided comments and suggestions. The Board concurred with the establishment of these additional documents, and recognized the significant work to date by the Assistant Board Secretary. Following discussion, the Chairman directed that the three documents be finalized, taking into account Directors' comments, and be brought forward to the next meeting of the Board for approval and adoption (\*).

10. Business Risk

The President tabled for discussion with the Board a preliminary range of potential business risks to be managed in the initial years of NWMO's implementation mandate. The President noted that a business risk profile and assessment will be fully developed to support the strategic planning sessions.

The Board reviewed some areas of potential risk, and considered additional external, operational and business continuity risks, including risks associated with a delayed government decision on the NWMO recommendation.

11. Strategic Planning for 2007

The President initiated discussion with the Board on a potential approach to 2007 strategic planning. In support of the Board's desire to initiate strategic planning discussions early in 2007 for the purpose of articulating a five-year plan, two phases of strategic planning discussions were proposed to the Board. Directors reviewed the directions proposed for the strategic planning agendas, and the timing of each session. The Board, having expressed concurrence with the proposed direction, directed the President to proceed with the development of the agendas. The President noted that the process envisages inviting Advisory Council input into key strategic planning discussions in 2007. The Assistant Board Secretary was requested to confirm dates and issue a meeting schedule to the Board. (\*).

12. 2007 Business Plan

The President tabled for Board review a refined copy of the NWMO's 2007 Business Plan which incorporated refinements to the Business Plan and Budget previously approved at the September 26, 2007 Board meeting.

The President highlighted areas of refinement in the text, including the incorporation of the Board's previous suggestions and the addition of appendices, which presented details in relation to policy development and workplan milestones.

In discussing the work planned to elaborate policies and procedures, the Board noted that a global review of financial governance will be discussed at upcoming Audit, Finance and Risk Committee meetings.

The President highlighted some additional areas of focus of the 2007 workplan, including the design of a corporate citizenship program. The President briefed the Board on the proposal for an Aboriginal Working Group that arose from the Elders and youth at the Forum to establish a working group or committee.

In recognition of the \$15.7 million budget approved by the Board for 2007, the Board directed the organization to seek Members' written confirmation of the need to waive the annual budgetary ceiling of \$8 million, which had been established for the study period. The Board recognized that the new membership agreement, near finalization, would remove this constraint for future years. (\*)

13. Signing Authority

The Board considered the motion to amend the current signing authority limits in recognition that the organization will be supporting a higher level of activity during the implementation phase, including incorporation of the technical program. It was noted that within the technical program there are multiple contracts for research and development that would exceed the previous signing authority of the President. To ensure efficient and effective operation of the organization, the President was also granted the ability to delegate limited signing authority to senior managers. The Board was in agreement that this was an appropriate measure. Following Board discussion, the Board approved the recommended changes to the President's signing authority.

**IT IS HERBY RESOLVED THAT:**

the President and CEO of the NWMO is authorized for, and on behalf of the NWMO from time to time, to:

- a) Approve expenditures on behalf of the NWMO in accordance with the approved business plan and budget of the NWMO up to and including a total value of \$1,000,000 (\$Cdn.);
- b) Enter into, or cause to be entered into, by or on behalf of the NWMO, any contract that is consistent with the NWMO's approved business plan and budget, that the

NWMO may lawfully enter into up to and including a total value of \$1,000,000 (\$Cdn.). Such contracts include but are not limited to:

- i) contracts to subcontract any of its activities to third parties or to a Member;
  - ii) contracts to retain experts, professional advisors and consultants;
  - iii) contracts for the rental or lease of office facilities to be used by or for the NWMO; and
- c) Sign contracts, documents, and instruments in writing up to and including a total value of \$1,000,000 (\$Cdn.).

**Delegation of Authority.** The President & CEO may delegate his/her authority in writing to one or more senior managers to perform any or all of the actions described above, up to and including a total value of \$100,000. Such delegation may be for either a limited or unlimited period of time. The delegation letter will be filed with the Corporate Secretary and will identify the delegate(s) by name, contain a specimen signature of each delegate and identify the period of time over which such delegation will apply.

The motion was made, seconded and unanimously passed.

14. Update on Advisory Council Meeting

The President provided an information update on the Advisory Council's November 23, 2006 meeting.

The President reported that he updated the Advisory Council on NWMO's activities and the status of a government decision.

He also reported that the Council received an update from the Special Advisor to the Board reporting on her workplan items related to the design of the collaborative siting process.

A report from the October NWMO Elders' Forum in Toronto was provided to the Advisory Council by Pat Patton. The Council was briefed on the proposed establishment of an Aboriginal Working Group which emerged from the Elders' Forum. The Council having been briefed on the general framework of such a working group expressed its strong support for the proposal.

The Council also received an update on the governance activities proceeding within NWMO to prepare the organization for implementation.

A briefing on the NWMO Technical Research program was received by the Advisory Council from four of the key technical staff on the repository engineering, safety assessment and geoscience work programs.

15. Update on Siting Plan preparation

The Special Advisor to the Board provided an update on the Phase 1 workplan activities in the Collaborative Siting Process Project. Ms. Dowdeswell reported that all activities are on track.

Ms. Dowdeswell reviewed the numerous informal discussions that had been held with practitioners in many areas to maintain existing NWMO relationships and to brainstorm with experts to scope the siting process development.

As well, the Special Advisor outlined several networking opportunities, including invitations to speak about the NWMO study at international meetings and conferences such as at the IAEA.

Ms. Dowdeswell reported to the Board that the 2006 work thus far had provided many opportunities for outreach to a variety of study participants who all indicated their interest in participating further in the NWMO process in the future.

The Chairman invited Board discussion of Ms. Dowdeswell's report. Following discussion and questions from directors, the Chairman thanked Ms. Dowdeswell for her informative update.

16. Quarterly Financial Statement

The Quarterly Financial Statements, having previously been reviewed by Audit, Finance and Risk Committee, were examined by the Board. Spending for the third quarter is within budget and it is projected that a small amount of contingency funds will be spent by year's end.

Management reported that although some adjustments had been made to the workplan throughout the year, the majority of the workplan items are on track and will be completed by year's end.

In order to enable closer oversight of the financial picture, it was suggested that a quarterly cash-flow statement be prepared. The Chair of the Audit, Finance and Risk Committee committed to reviewing the feasibility of producing a quarterly cash-flow statement and reporting back to the Board (\*).

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

In-Camera Session

17. Appointment of Officer

Further to a proposal tabled by the President, the Board of Directors approved an appointment to the office of Vice President.

**IT IS HEREBY RESOLVED** that

- Effective November 24, 2006 the following person be appointed to hold office as Vice President:

➤ Kathryn Shaver.

The motion was made, seconded and unanimously passed.

Conclusion of Meeting

There being no other business, the Chairman declared the meeting terminated at 12:30 PM.

(\*) Denotes actions to be taken.

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Kathryn Shaver  
Corporate Secretary

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Dr. Gary Kugler  
Chairman