

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

convened on February 26th, 2004 via Conference Call
commencing at 4:00 P.M. EST.

Present

Ken Nash	Director, Chairman (Acting)
Laurie Comeau	Director
Fred Long	Director, Treasurer
Adèle Malo	Director
René Pageau	Director

and

Elizabeth Dowdeswell	President
Kathryn Shaver	Corporate Secretary

Absent:

Richard Dicerni	Director, Chairman of the Board of Directors
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1. Approval of Agenda

At the request of the Mr. Dicerni, Mr. Nash chaired the February 26th, 2004 session.

Notice of the meeting having been given to all of the Directors of the Company and a quorum of the members being present, Mr. Nash declared the meeting duly constituted for the transaction of business at 4:00 P.M. EST.

The Directors approved the Agenda for the February 26th, 2004 meeting.

2. Minutes of Previous Meetings

The minutes of the meeting of the Board of Directors held on October 28th, 2003, a copy having been sent to each member of the Board, were approved as recorded.

The minutes of the information session of the Board of Directors held on January 19th, 2004, a copy having been sent to each member of the Board, were approved as recorded.

3. Business Arising from the Minutes

The President outlined the status of actions arising from the previous Board meeting.

4. Findings of the External Audit

Mr. Long in his capacity as Chairman of the Audit, Finance and Risk Committee, reported on the Committee's meeting with the NWMO's external auditors from Deloitte & Touche and the findings of the external audit for 2003.

Mr. Long reported that the external audit of the NWMO's financial statements for 2003 was complete, and the auditors presented their results with no reservations. In all areas of focus of the audit, the report from Deloitte & Touche was positive.

The Audit, Finance and Risk Committee reported that they were comfortable with the results of the external audit.

- The Audit Committee had an opportunity to review with the auditors the observations and recommendations of the auditors communicated in their January 30, 2004 letter to NWMO management, and were comfortable with NWMO management's responses on these items.
- Committee members felt that the results were a positive reflection on the NWMO's internal financial procedures and internal controls.
- The Committee Chairman noted further that this year's audit reflected improvements made over the course of the year, including the NWMO's engagement of external accounting assistance and the further refinement of financial policies and procedures over the last year.

Mr. Nash invited Board comments and questions. Discussion ensued, and Board members expressed their satisfaction with the 2003 audit results and NWMO management's responses to the recommendations of the auditors. Mr. Nash complimented the Audit, Finance and Risk Committee for their oversight role on the external audit, and NWMO management for the positive financial findings of the audit.

5. Audited Financial Statements

Consistent with NWMO By-Law No. 1 (s. 8.10.4), the Board of Directors was presented with the NWMO's 2003 audited financial statements for approval.

The Audit, Finance and Risk Committee, having reviewed the financial statements with the external auditors, reported on their discussion with the auditors and indicated their satisfaction with the auditors' explanations and responses to Committee questions. The Committee stated that they were comfortable with the financial statements and had assurance from the auditors that the statements were fairly presented in all material respects in accordance with Canadian generally accepted accounting principles. The Audit, Finance and Risk Committee recommended to the Board of Directors the approval of the 2003 Financial Statements as audited and presented by the external auditors Deloitte & Touche.

Board discussion ensued, and Board members tabled their support for the reported financial statements.

IT IS HEREBY RESOLVED that:

- The 2003 Financial Statements for the NWMO's fiscal year ending December 31, 2003, as audited and presented by the external auditors Deloitte & Touche in their January 30, 2004 report to the Board, are hereby approved.

This motion was made, seconded and unanimously passed.

The financial statements will be presented to Members at their 2004 Annual General Meeting.

6. Annual Report

The President presented the final draft 2003 Annual Report to the Board of Directors for approval. She noted that the document represents the organization's performance report for 2003 and is an important measure of accountability for the NWMO. Consistent with the *Nuclear Fuel Waste Act*, the Annual Report will be submitted to the Minister of Natural Resources Canada by the end of March and made public at the same time. The Minister will subsequently table the Report in Parliament.

The President briefed the Board on the status of the Annual Report:

- The President noted that the report reflected comments provided previously by Board members on the draft circulated in early February.
- The NWMO had circulated an advance draft of the 2003 Annual Report to the Audit, Finance and Risk Committee of the Board for review and comment.
- While an earlier draft had been shared for review with the Advisory Council, the Advisory Council will be forwarding its own independent reflections on the NWMO's progress in 2003 to the Minister by way of a separate letter.
- The Annual Report is complete, subject to final editorial review, refinement and copy edits.

The Chairman invited Board comments on the final draft. Board members tabled positive comments on the format and presentation of the material.

IT IS HEREBY RESOLVED that:

- The 2003 Annual Report of the NWMO, tabled with the Board for the February 26, 2004 meeting, is hereby approved.

This motion was made, seconded and unanimously passed.

7. Amendments to NWMO By-Law No. 1

The Chairman tabled By-Law No. 4 for Board discussion and approval.

In introducing this item, Mr. Nash noted that By-Law 4 introduced some amendments to By-Law No. 1, the NWMO's general by-law. The amendments tabled with the Board for consideration follow his review of By-Law No. 1 with the Corporate Secretary.

- By-Law No. 4 proposes an amendment to the Board's quorum requirements, considered appropriate for the current size of the Board of Directors.
- In addition, By-Law No. 4 proposes some additional housekeeping amendments as part of refining the NWMO's governance structure.

The Chairman invited Board discussion. The Corporate Secretary provided clarification in response to questions raised by Board members. Following discussion, the Board tabled support for proceeding with By-Law No. 4.

IT IS HEREBY RESOLVED that:

- By-Law No. 4, as tabled with the Board February 26, 2004, is hereby approved.
- The Chairman of the Board and Secretary are hereby authorized and directed to sign this By-law on behalf of the Directors to evidence such approval.

This motion was made, seconded and unanimously passed.

The Secretary was directed to arrange for a Special Meeting of Members', the purpose of which would be to seek their confirmation on By-Law No. 4, and if confirmed, proceed with application to Industry Canada for approval of the By-Law. (*)

8. Information Disclosure

The President tabled for Board consideration and approval, an approach to information disclosure proposed by the organization. She noted that the proposed guidelines were intended to guide internal NWMO practices with respect to information management. The guidelines reflect the NWMO's statement of Vision, Mission and Values and objective of transparency.

The Board, having reviewed and discussed this policy at previous meetings, supported the approach to information disclosure presented by the President.

IT IS HEREBY RESOLVED that:

- The NWMO Board of Directors approve the approach to information disclosure, as presented to the Board at the February 26, 2004 meeting.

This motion was made, seconded and unanimously passed.

9. Minutes of Previous Meeting of the Audit, Finance and Risk Committee

Mr. Long tabled the minutes of the January 7, 2004 meeting of the Audit, Finance and Risk Committee for the Board's information.

10. Quarterly Financial Statements

The financial Statements for Q3 and Q4 2003, having been previously reviewed by the Audit, Finance and Risk Committee, were provided to the Board for information. The President noted that the final financial results for 2003 have since been incorporated into the final audited statements, presented under Agenda Item 5.

The Chairman thanked the President for providing these regular financial updates.

He reiterated the Board's interest in ensuring that the President has access to sufficient resources with which to fulfill the NWMO's 2004 business plan. The President confirmed that the NWMO had sufficient resources at this time, but appreciated the flexibility given to her by the Board to address needs as they arise, to ensure that additional support is available as specific needs or expertise are identified.

11. Other Business

- The President reported that Natural Resources Canada was seeking an introductory meeting with the Minister for the NWMO, and suggested that a Board member and Advisory Council member may wish to participate in such a meeting.
- The Chairman reported positive feedback on the NWMO's progress that he had received during recent meetings in Ottawa.
- The Board expressed interest in having a discussion on business risk. The Board requested that the NWMO keep them updated on any risks that the organization may identify along the way which could impact on the fulfillment of key milestones for engagement and collection of comments from the general public and aboriginal peoples, being an important area of legislative responsibility under the *Nuclear Fuel Waste Act*. (*)
- The President noted her intention to brief the Board on the work of the NWMO Assessment Team at the April Board meeting. (*)
- The next meeting has been confirmed for April 8, 2004.

Termination of Board Meeting

There being no other items for discussion, the Directors concluded their session at 4:40 P.M. EST.

Asterisk (*) denotes action to be taken

Corporate Secretary
Dated this 8th day of April, 2004