

MINUTES
OF 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 June 28, 2018
commencing at 11:00 a.m. EDT

Present

Wayne Robbins	Chair
Laurie Swami	Director, President & CEO
Carlo Crozzoli	Director
Mark Elliott	Director
Lesley Gallinger	Director
Ron Jamieson	Director
Darren Murphy	Director
Josée Pilon	Director
Janet A. Rieksts-Alderman	Director (items 7-18)

Staff in attendance:

Mahrez Ben Belfadhel	VP Site Selection (items 4-17)
Lisa Frizzell	VP Stakeholder Relations (items 4-17)
Michael Hung	Chief Risk Officer and VP, Strategic Initiatives (items 4-17)
Georgina Kossivas	Chief Financial Officer (items 4-17)
Gillian Morris	Board Secretary (items 1-17)
Jennifer Spragge	VP Human Resources & Chief Ethics Officer (items 1-17)
Doug Taylor	VP & General Counsel (items 4-17)
Chris Vardy	Director, Business Planning & Cost Management (item 9)
Robert Watts	VP Indigenous Relations (items 4-17)
Derek Wilson	Chief Engineer & VP Contract Management (items 4-17)

Guests:

David Cameron	Vice-Chair, Advisory Council (item 12 only)
Michael Hare	New Brunswick Power (4-17)
Jane Taber	National Public Relations (item 14 only)

1. Constitution of 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 Chair declared the meeting duly constituted for the transaction of business and called the meeting to order at 11:00 am EDT.

The Chair asked Directors, based on the information received for the meeting to identify any real or perceived conflicts of interest or involvement in related party transactions.

While there were no direct conflicts noted, the following items were declared by Directors for transparency purposes:

- Wayne Robbins declared he would be doing an operational review of Small Modular Reactors (SMRs) with one of the vendor companies;
- Ron Jamieson noted that he had been asked to do work with the newly established First Nations Sovereign Wealth Funds, who had recently acquired shares of Hydro One;
- Carlo Crozzoli in his role at OPG, has been speaking with SMR vendors; and
- Lesley Gallinger noted that ESA has a large contract with the Darlington Refurbishment.

The Chair noted the Boards' upcoming strategic planning session in July and outlined the key strategic items on the Board agenda.

2. Approval of Agenda / Consent Agenda Items (In Camera)

The Chair reviewed the Consent Agenda items with Directors.

3. HRCG Committee Report (In Camera)

The Board Chair provided the HRCG Committee Report on behalf of the Committee Chair.

After the HRCG Committee report was complete, the Executive Team joined the meeting. The Chair asked Officers and senior management of the organization, based on the information received for the meeting, to identify any real or perceived conflicts of interest or involvement in related party transactions. None were declared.

4. Safety Moment

Mark Elliott provided a safety moment related to Individual Commitment to Safety, one of the WANO Principles – Traits of a Healthy Nuclear Safety Culture Talked about accountability of executives and board members. He noted the following points:

- The CEO gives most visibility on safety, some boards name board member as health and safety champion;
- Board members have to set an example;
- Board members should consider health and safety when thinking of senior management appointments.

Board members provided some examples of executive actions to improve safety in an organization. A Board member supported the suggestion of naming a safety champion for the Board.

5. President's Update

The CEO provided a verbal report on recent activities and events including:

- introduction of NWMO's new Chief Financial Officer, Georgina Kossivas;
- notable achievements: the NWMO engineering team received a \$4 million Ontario Research Fund Grant and Jo-Ann Facella was awarded the CNS award for Communication and Education;
- the recent international EDRAM (International Association for Environmentally Safe Disposal of Radioactive Materials) meetings in Toronto and a trip to visit Posiva in Finland, both attended by Parliamentary Secretary Kim Rudd and the ADM for NRCan. The strong leadership role women took in the EDRAM meetings was noted;
- changes in the external landscape including changes provincially and retirements with member organizations and the CNSC;
- progress on NWMO's visibility strategy;
- the status of reprocessing of used nuclear fuel in Canada;
- the status of work related to OPG's low and intermediate level waste (L&ILW) DGR; and
- a summary of outcomes of recent meetings with NWMO member organizations.

Board members supported a motion to send letters of congratulations from the Board to the engineering staff and Jo-An Facella. The Chair asked management to provide communication messages to the Board and executive team related to the current status of reprocessing used nuclear fuel in Canada (*). The Board asked management to report back at the next meeting with an update on the status of work on OPG's L&ILW DGR (*). A Director asked if NWMO experienced any safety events in the last quarter. The CEO reported there were none.

6. Report from the Siting Committee

The Siting Committee Chair reported on the Committee's June 27, 2018 meeting. The Chair reported that the Siting Committee discussions included:

- a report and discussion about progress of all areas remaining in the NWMO siting process;
- an update and discussion on NWMO's work related to partnership development;
- discussion about an independent third-party review for site selection to act as a fairness monitor. The Committee suggested the third-party review group report to the CEO and not the VP of Site Selection; and
- NWMO's preliminary business planning assumptions and performance measures for site selection.

Mr. Jamieson discussed NWMO's reconciliation statement and 2018 reconciliation initiatives and sought Board approval of the reconciliation statement as presented. The Board was supportive of the Reconciliation Statement as proposed.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the Siting Committee, the Board approves the Reconciliation Statement as proposed:

NWMO Reconciliation Statement

In the context of reconciliation, NWMO recognizes historical wrongs in Canada's past and the need to create a better future by addressing the challenges of today. The NWMO Council of Elders and Youth speak of this journey as a new era for humanity, a time of reconciliation with First Nation, Métis and Inuit peoples.

The NWMO is committed to contribute to reconciliation in all of its work by co-creating a shared future built on rights, equity and well-being. In addition, the NWMO will establish a Reconciliation Policy with an implementation strategy that will be measured annually and publically reported to contribute to the Truth and Reconciliation Commission's Calls to Action.

The motion was made, seconded and unanimously passed.

Mr. Jamieson also reported on several in camera items discussed by the Committee.

7. **Report from the AFR, Joint AFR-HRGC Committee Meeting**

The AFR Committee Chair reported on the Committee's June 27, 2018 meeting.

Ms. Gallinger reported that the discussions included:

- a status update on the pension plan;
- a preliminary review and discussion of the 2019-2023 business plan;
- status of the cash flow contingency (the Committee agreed with management's recommendation that the cash flow level not be changed);
- a status update on the Enterprise Resource Planning system implementation;
- a discussion on cyber security; and
- management reports.

The Committee Chair brought forward a number of items for the Board's approval. The Board reviewed and discussed the 2021 lifecycle cost estimate assumptions that were presented. Directors asked questions about length of site monitoring and the impact of SMRs.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the AFR Committee, the Board of Directors approves the 2021 lifecycle estimate assumptions as presented in Attachment #1.

The motion was made, seconded and unanimously passed.

The Committee Chair also recommended the approval of the 2017 NWMO Pension Fund Financial Statements.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the AFR Committee, the Board of Directors approves the 2017 NWMO Pension Plan Fund Financial Statements as proposed for the NWMO fiscal year ended December 31, 2017, as audited and presented by the external auditors, Deloitte LLP.

The motion was made, seconded and unanimously passed.

The Committee Chair reported on the AFR Committee's special meeting to interview pension fund investment managers recommended by NWMO's actuary. The Committee recommended two investment managers for approval.

IT IS HEREBY RESOLVED THAT:

On the recommendation of the AFR Committee, the Board approves Crestpoint Real Estate as the NWMO pension fund manager for the Real Estate portfolio and Sun Life Institutional Investments (Canada) be appointed as the NWMO pension fund manager for the Extended Duration Bond portfolio.

The motion was made, seconded and unanimously passed.

The Committee Chair reported that the Committee reviewed management's strategy for contracting for borehole drilling. The Chair reported that management had revised its approach, and recommended the following change:

IT IS HEREBY RESOLVED THAT:

On the recommendation of the AFR Committee, the Board of Directors approves the borehole contract commitment limit, and purchasing authority to the President and CEO, of \$35M.

The motion was made, seconded and unanimously passed.

8. Report from the Technical Committee

The Technical Committee Chair reported on the Committee's June 28, 2018 meeting.

The Committee Chair reported that discussion included the following:

- the progress on proof testing and transportation activities. The Committee had a detailed discussion of the current status of the Nanovate Tank System and will be reviewing lessons learned at a future meeting;
- the work underway on transportation logistics;
- the technical program planning assumptions and draft 2019 performance measures;
- progress on safety and technical research activities;
- a review of the high-level integrated schedule reflecting NWMO's current business planning assumptions;
- approaches to technical peer review activities;
- NWMO's interfaces with the CNSC; and
- a progress report on corrective actions to address contractor findings from the 2017 audits.

9. Preliminary 2019-2023 Business Plan

NWMO's Chief Financial Officer, Georgina Kossivas led the discussion on NWMO's Preliminary 2019-2023 Business Plan. She reviewed a summary of the plan, key risks, planning priorities, budgets and next steps for the plan.

Directors had a detailed discussion about the plan which included:

- questions about key risks and risk levels;
- the project timelines;
- the provisions for land access;
- community investment requirements considered; and
- proposed staffing levels.

10. In Camera Session

The Board held an in camera session.

11. Preparation for Annual General Meeting of Members

The Board of Directors were provided with the agenda for the Annual General Meeting of Members for discussion with Directors.

The Chair noted that management will be discussing with the Members the challenges and risks facing the organization in the next five years. Directors also discussed the status of the revisions to the Membership Agreement.

12. Report from Advisory Council's June 25, 2018 Meeting.

The Chair of the Advisory Council reported on the discussions at the Advisory Council meeting held on June 25, 2018. Dr. Cameron reported that some of the key items considered by the Council were:

- A external request to discuss reprocessing with the Council;
- Vice-Chair Donald Obonsawin's meeting with Parliamentary Secretary Kim Rudd at the EDRAM meetings. Ms. Rudd expressed the importance of the Advisory Council's work as an important independent sounding board.
- A status update and discussion on site selection;
- NWMO's reconciliation statement;
- plans for third party review of the siting work;
- items which responded to a number of the Council's 2014-2016 Triennial Report recommendations.

Mr. Cameron reported on two in camera items discussed by the Council.

13. Preparation for Strategic Planning

The Board of Directors discussed the upcoming July 18 & 19 Strategic Planning Session and reviewed the agenda. Directors were supportive of the agenda and the external speakers planned.

14. State of the Nation Update

Jane Taber from National Public Relations provided the Board with an overview of the external landscape in advance of the strategic planning session which included the following:

- Public relations lessons learned from the Kinder Morgan pipeline;
- NWMO's visibility with government and media (she noted the NWMO's program is well regarded);
- NWMO's Indigenous Relations; and
- The importance of considering election cycles in NWMO's work.

Directors discussed with Ms. Taber possible impacts of the new Provincial government and potential changes in ministries.

15. Preparation for Meeting with Council of Elders

Bob Watts led the discussion about the July Council of Elders meeting which will include a ceremony related to the Reconciliation Statement. He outlined the plans for a ceremony on reconciliation followed by a talking circle with the Council of Elders.

16. Legal Report

Doug Taylor updated the Board on several legal matters. He discussed the Trans Mountain Pipeline Expansion project, steel tariffs and how they relate to NWMO's work, and the impact of cannabis legislation on workplaces.

Related to cannabis legislation, Directors discussed the concept of "fitness for duty" and whether supervisors will need to undergo specific training. Ms. Spragge noted that the NWMO's Code of Conduct will be updated to address "fitness for duty".

17. Next Meetings of the Board

The next meetings of the Board and Committees will be held as follows

Board of Directors Meeting
Friday, September 21, 2018 – 11:00 am – 4:00 pm

18. In Camera Session

The Board Chair held an in camera session without the presence of staff and management.

Conclusion of Meeting

There being no other business, the Chair declared the meeting adjourned at 4:25 pm.

* Denotes actions to be taken.



Wayne Robbins
Chair



Gillian Morris
Board Secretary