**Minutes for the MC Governing Board Charter**

**and**

**Decision Making Working Groups Meeting.**

**14.06.2016**

Participants:

Chairman: Peter Tuominen

Group members: Ladislav Stepanek, Joseph Tomek, Nikolay Kukharchuk, Sergey Frolov

1. **Opening**

Chairman Peter Tuominenopened the WG meeting

Mr. Tuominen suggested electing Mr. Frolov as the working group Secretary. Mr. Frolov was elected unanimously.

1. **Agenda**

Mr. Tuominen proposed next agenda:

1. Opening of the meeting
2. Approval of agenda.
3. Working Group administrative and practical arrangements.
4. Targets and expected results of the Working Group works second phase.
5. Status and guidance for the established WANO MC working groups established by the Governing Board meeting in Prague.
6. Present status of Charter and Articles of Association.
7. Discussion and decision about roadmap to get a proposal for Charter and Articles to next Governing Board meeting.
8. Clarification of Governing Board member’s legal responsibilities according to Russian legislation related to responsibility of decisions, economy, control, monitoring, anti-trust etc.
9. Role and composition of different meetings as Governing Board, Directors Board, and Plant managers’ (chief engineers’) board etc.
10. Next steps and decide actions
11. Next meeting. Proposal to be held in Bratislava.
12. End of meeting.

 ***Decision: the agenda is approved unanimously***

1. **Working Group administrative and practical arrangements.**

***Action: Mr. Frolov is to prepare minutes for this meeting within 1 week. г-н***

1. **Targets and expected results of the Working Group works second phase**

**Mr.** Tuominen noted that the document describing Governance Model and Decision Making Process at WANO Moscow Center was approved by the WANO MC Governing Board in April in Prague, for pilot use during one (1) year. Mr. Tuominen stressed the importance of starting up the work and act according to principles described in the approved document. The next step in the process, and the task for the Working Group nominated by the Governing Board, is now to prepare a proposal, to WANO MC Articles of Association, for the next Governing Board meeting in October.

**Mr.** Frolov informed Working Group members about the objectives deadline concerning MC articles of Association change.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Item | Data | Responsibility |
| 1 | First Charter revision –  | February 2016 | MC, legal contractor |
| 2 | Second Charter revision | March 2016 | WG, MC, legal contractor |
| 3 | Presentation to GB | April 2016 | MC |
| 4 | Distribute to members for comments | 15 June 2016 | MC |
| 5  | Deadline for comments  | 15 August 2016 | MC |
| 6 | Strategy WG meeting | 21 July 2016 | WG |
| 7 | Third Charter revision @Distribute to members | August | MC, legal contractor |
| 8 | Final Charter revision  | September | WG, MC, legal contractor |
| 9 | Approve by GB | October | GB |

Mr. Kukharchuk mentioned that the draft of the Articles of Association has not been discussed yet. It’s necessary to highlight key moments and discuss them and only then start discussing Articles of Association .

Mr. Tuominen highlighted the following main issues for discussion:

1. *Clarification of Membership categories in MC.*
2. *Voting power for different membership categories at General Meeting and Governing Board*
3. *Governing Board role, responsibilities and composition*
4. *Governing Board Control Functions of administration and activities*
5. *Governing Board members legal responsibilities*
6. *Role and purpose of different meetings at WANO MC*
7. **Status and guidance for the established WANO MC working groups established by the Governing Board meeting in Prague.**

Mr. Frolov presented MC GB working groups and Chairmen of these groups approved by MC GB in April 2016.

The composition of these groups was formed by the Secretariat on the basis of the previous proposals made by GB members

After the discussion of MC secretariat proposal the Working Group proposed for formal approval the following working group compositions:

1. **Charter and Decision-Making Working Group**

 Chairman - Peter Tuominen.

Members:

* Ladislav Stepanek, CEZ;
* Gabor Volent, Paks;
* One person from REA;
* Nikolay Kukharchuk, NAEK;
* Joseph Tomek, (Jaroslav Holubcec ?)Slovenske Elektrarne;
* Shen Yanfeng, JNPC;
* Vasily Aksenov, Moscow Center.

 Secretary S. Frolov

1. **Strategic level WG**

Chairman – Janos Toth

Members:

* Peter Tuominnen, Fortum;
* Nikolay Kukharchuk, NAEK;
* Jaroslav Holubec, SE;
* One member nominated by Rosenenergoatom ( Mr. Frolov will contact Rosenergoatom after the Working Group Meeting)

Secretary S. Frolov

1. **Operational level WG**:

Chairman – Derakshandeh Hossein

Deputy Chairman - Joseph Tomek, Slovenske Elektrarne

Members:

* Attila Varju (Paks NPP Hungary);
* AKSENOV Vasily (WANO-MC Director);
* TRUTNEV Vitalii (OJSC “Сoncern Rosenergoatom”);
* SYKORA Milan (CEZ);
* One member to be nominated from NAEK.

 Secretary S. Frolov

1. **Governing Board Preparation meeting (**the MC GB and MC GM Support Working Group)

Chairman – Janos Toth

Members – one person from Rosenergoatom

Secretary S. Frolov

***Decision: suggest that MC GB should nominate people to working groups and approve the compositions of these working groups***

1. **Present status of Charter and Articles of Association.**
2. Mr. Frolov presented the Charter status. According to the current articles of association of non-profit organization, which was developed by WANO-MC regional Center in compliance with the Russian Federation legislation, all members at the General Meeting have equal rights. WANO-MC compensated the disagreement concerning the differentiated approach for members of different categories in WANO.

In November 2014 the Russian Federation Civil Code was changed and such form of legal form of organization as non-profit partnership was canceled.

The Civil Code stipulates the transfer from the non-profit partnership to other legal forms. The transfer deadline is not defined.

The Russian Federation justice ministry and legal advisers specializing in non-profit partnership recommended reorganizing a non-profit partnership and make it Association.

Association is a more flexible form of the organization than a non-profit partnership and enables to apply a differentiated approach to members of different categories like in WANO.

In view of the above mentioned the Governing Board suggests reviewing an opportunity of reorganization of WANO-MC regional Center non-profit organization and make it WANO-MC Regional Center Association.

New articles of association are required for the reorganization process.

The MC Secretariat developed the draft of the Articles of Association stipulating the following changes:

* Implementation of member categorization in view of WANO Articles of Association.
* Setting a voting quota at both the MC General Meeting and WANO General Meeting.
* Defined Governing Board responsibility for decision-making.
* Defined MC Director’s responsibility for the execution of made decisions.
1. Discussion of MC Articles of Association regarding the first key issue **Membership in Moscow Center**

Currently the previous Articles of Association doesn’t enable to divide members according to categories and all members have equal rights. It doesn’t correspond to WANO Articles of Association. Draft of new Articles of Association eliminates this inconsistency and implements categorization of members analogical to WANO

 Moreover, it’s suggested to implement the 4th category for new members who are new entrants in this field. MC already discussed with LO changes of the normative document 5. Membership in WANO. The decision hasn’t been made yet.

***Decision : Recommend making membership in WANO analogically to WANO Articles of Association***

***Decision: Peter Tuominen and Sergey Frolov should complete the proposal on new entrants by next Working Group meeting***

1. Discussion of MC Articles of Association regarding the second key issue- **Voting**

**General Meeting. Currently each member has one vote at the General Meeting and it doesn’t correspond to WANO Articles of Association. In the new MC Articles of Association this inconsistency is eliminated.**

***Decision: The Working Group proposes that Category 1 members (who pay full membership fee) has voting right at the General Meeting. Every Category 1 member has one (1) vote and in addition 1 vote per additional 5 units , which have a license for operation***

**Governing Board**.

Currently all MC GB members have one vote. The Working Group discussed different options for voting power in the Governing Board. The two main options were to have same rules for voting in the Governing Board as at the General Meeting, or to have one vote for each member in the Governing Board. Based on the discussion, the Working Group came to the conclusion, to propose one (1) vote per member, because the main task for the Governing Board is to execute plans, budget etc. approved by the General Meeting

***Decision: The Working Group proposes that every Governing Board members has one (1) vote.***

1. Discussion regarding the 3d key issue- **Governing Board Composition.**

Currently MC GB comprises one representative from one member plus one person from the GB for 8 utility units. In total, there are 27 members in the MC GB. During the discussion, it become obvious that the present Governing Board composition not is the most efficient for an execution and operative decision making body. The conclusion based on the discussion was to propose that every category 1 member has the right to nominate one member to the Governing Board. The Working Group saw it important to develop the Governing Board meetings to have the clear role as an executing and a decision making meeting.

***Decision: The Working Group proposes that every category 1 member has one (1) member in the WANO MC Governing Board.***

1. Discussion regarding the 4th key issue **Control functions**

Present Budget Committee currently mainly executes control functions related to budget, finance and book keeping. It reviews MC Secretariat performance to ensure correspondence to directions claimed in the Articles of Association and correspondence to MC budget maintenance approved by GB. The Committee comprises 5 members – financial directors and chief accountants of MC member- companies. The Committee Composition is approved by the MC General Meeting. WG considers that this Committee doesn’t totally cover control functions which are necessary for MC management. It’s necessary to execute control over the conducted events and activities.

***Decision: The Working Group proposes that MC Secretariat should develop proposals on the extension of Budget Committee control and assessment functions, so that it also covers control and assessment of fulfillment of General Meeting and Governing Board decisions, efficiency of activities, code of conduct etc.***

1. Discussion regarding the third key issue **MC General Meeting Functions**

It’s necessary to specify General Meeting and Governing Board functions. Currently there are 3 documents in MC with the observation of these functions. This can lead to miss understandings, conflicts between different documents etc.

Moreover, the process of Director appointment (Director is nominated by MC GB and elected by the General Meeting) should be clearly described. Director Deputies are nominated by the Director and appointed by the GB.

***Decision: MC Secretariat should prepare the analysis of MC normative documents regarding General Meeting and Governing Board functions, optimize them and eliminate contradictions.***

1. **Discussion and decision about roadmap to get a proposal for Charter and Articles to next Governing Board meeting.**

The following roadmap is proposed for the revision of the draft of Articles of Association by GB.

|  |  |  |  |
| --- | --- | --- | --- |
| 1 | Distribute to members for comments | 24 June 2016 | MC |
| 2  | Deadline for comments  | 10 July 2016 | MC |
| 6 | Strategy WG meeting | July 2016 Vienna/Bratislava | WG |
| 7 | Third Charter revision @Distribute to members | August | MC, legal contractor |
| 8 | Charter and Decision-Making Working Groupsmeeting | 6 September, Bratislava | WG, MC, legal contractor |
| 9 | Approve by GB | October | GB |

1. **Clarification of Governing Board members legal responsibilities according to Russian legislation related to responsibility of decisions, economy, control, monitoring, anti-trust etc.**

There was organized a telephone conference with lawyers from MC Russian contractor company which specializes in such non-profit organizations as Association.

In the course of the conference the lawyers confirmed the necessity to transfer from the non-profit partnership to Association. Association is a more flexible form of the legal organization. GB Board members’ responsibilities were partially clarified. It did not become fully clear how the legal responsibilities for Governing Board members differs from the responsibilities of members in legal companies’ boards.

***Decision: MC together with the legal firm should ensure notice on the Russian Federation legislation related to the legal and decision making responsibility of GB members. The document prepared by the legal contractor and the latest version of the Articles shall be sent to to the Working Group members, in order to have companies legal departments to assess the documents.***

1. **Role and composition of different meetings as Governing Board, Directors Board, Plant managers’ (chief engineers’) board etc.**

The Working Group discussed the roles and added value of the different meetings. The working Group concluded, that it is important to clarify the roles and expectations for the different meetings. The Working Group also saw it important to conduct plant Directors meetings and Chief Engineers meetings in the future. How they are organized, and what the content will be, shall be further developed.

The Working Group saw it important to clarify that the Governing Board is the executing (General Meeting decisions and expectations), and decision making body at WANO MC. The other meetings have more a role of information/experience sharing among the members.

The Working Group came to the conclusion that the Plant Directors meeting should be developed, and perhaps named “Plant Directors’ Conference. It is according to the Working Group important to develop the Plant Directors Meeting, so that it gives added value for the Plant Directors, and stimulates active discussion and information sharing. It was proposed that WANO MC Secretariat could send out a questioner to Plant Directors, in order to get their opinion and expectations how the Plant Directors meeting should be developed. WG members also came to the conclusion, that the Chief Engineers meeting has an important role, but also the content of this meeting should be further developed. The Working Group thinks it is important to carefully listen to the members opinion; how these meetings should be developed.

***Decision: The Working Group proposes that the WANO MC Secretariat studies the possibilities to further develop the Plant Directors- and Chief Engineers Meetings, and ask Plant Directors and Chief Engineers opinions, before making the proposal to the Governing Board and further to the General Meeting on how these meetings should be developed so that they are efficient, and gives added value to the members.***

1. **Next steps and decide actions**

|  |  |  |
| --- | --- | --- |
| 1 | Strategy WG meeting | July 2016 Vienna/Bratislava |
| 2 | 2017 MC Plan | 31 July 2016 |
| 3  | Operational level WG | 10 August 2016 |
| 4 | Charter and Decision-Making Working Groups | 6 September, Bratislava |
| 5 | Governing Board Preparation meeting | 4 October 2016 |
| 6 | GB meeting  | 13 October 2016 |
| 7 | Operational level WG | November 2016 |

.