

Update on the PBO Competition Process

*Chris Darwin, Head of Transition
Sellafield Ltd*

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Strategy & Transition

Objectives

- Sellafield Ltd's role in the change of Parent Body Organisation (PBO)
- Principles of the transition
- What has Sellafield Ltd been doing to support NDA?
What needs to be done next?

Current status of the competition

- NDA are leading on the PBO competition process
- Tenders received from four bidders:
 - CH2MHill Nuclear Services
 - SBB Nuclear (consisting of SERCO, Bechtel and Babcock & Wilcox)
 - Fluor Limited in partnership with Toshiba
 - Nuclear Management Partners Limited (consisting of Washington International Holdings Limited, AMEC and AREVA NC)
- Tenders have been evaluated by the NDA
- Preferred bidder to be announced 11th July 2008

Key Principles for PBO Transition

Agreed with regulators

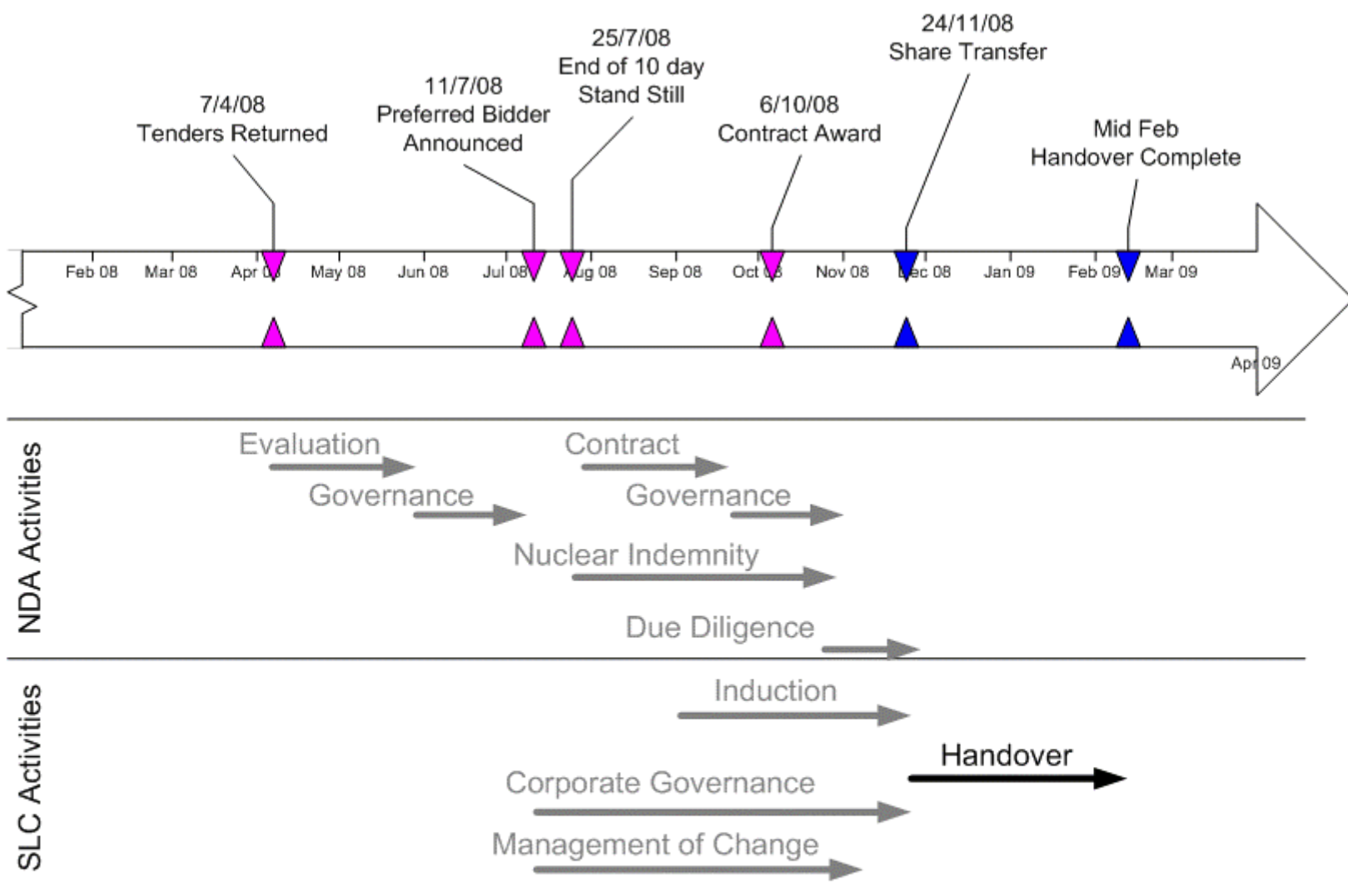
- Continual improvement of Environmental, Health, Safety, Security and Quality performance will be maintained throughout the transition as the overriding priority of the SLC
- The SLC will deliver a transition programme that meets the NDA competition programme
- The SLC programme will ensure regulatory expectations are met
- The transition process will minimise disruption and uncertainty to the SLC including its workers

Assumptions underpinning transition

- Like for like replacement of executive team
- No change to organisation structure at executive level during transition
- PBO will determine make-up of the Sellafield Ltd Board

Sellafield Ltd has been supporting the NDA competition process since November 2006

- Industry Seminar – November 2006
- Information supplied during dialogue phase (data rooms)
- Site Visits – March / April 2007
- Presentations to bidders – August 2007
- Principles paper – October 2007
- Participation in Assessment Centres – January 2008
- Developed transition model
- Regulator working groups.



Key Site Licence Company activities

- Preparation of secondment of individuals into the company
 - Induction
 - Handover
- Formal assessment of the impact of the change
- Ensuring arrangements are in place for transfer of services from BNFL
- Continue to work with regulators to develop transition requirements

Handover arrangements for new PBO Secondees

- An induction and handover programme is being developed for PBO secondees.
- This will ensure awareness of all aspects of the regulatory framework and specific regulatory commitments.
- All secondees will need to be Suitably Qualified and Experienced Persons under our current arrangements.

Summary

- NDA are responsible for the selection of a suitable PBO.
- Sellafield Ltd is responsible for managing the transition to the new PBO within its current arrangements.
- Changes during transition will be at board and executive level within Sellafield Ltd.
- Any future changes the PBO decide to make will be subject to the SLC's current Management of Change arrangements including regulatory approval as appropriate.
- Next key date 11th July – announcement of preferred bidder