377th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – September 21 – 22, 2010

Tuesday, September 21, 2010

ITEM	START TIME	LED BY	MOTION REQUIRED	DOCUMENT
1. In Camera with President and CEO	09:30 (30 min)	ALL		
2. Approval of minutes of the June 22-23, 2010 meeting and of the conference call meetings of July 30th, 2010 and August 5, 2010		Tim Casgrain	YES	YES
3. Matters arising from previous meetings				
4. Chair's Report		Tim Casgrain		
5. President's Report		Hubert T. Lacroix		
6. Strategic Planning Committee Report		Peter Charbonneau	YES	YES
Working Lunch				
Adjournment	17:30			
Wednesday, September 22, 2010				
7. Nominating and Governance Committee Report a. Individual Director Evaluation Process b. Director Compensation c. Committee Appointments	09:00	Edna Turpin	 YES YES YES	 YES YES
8. Human Resources and Compensation Committee a. Management Succession Plan b. Committee Terms of Reference c. Compensation for Interim EVP – English Services		Rémi Racine	 YES YES	 YES
9. Audit Committee Report		Peter Charbonneau		
10. Real Estate Committee Report a. Halifax Project b. Rimouski Project c. Sale of Brossard Transmission Site		Rémi Racine	 YES YES YES	 YES YES YES
11. Report on CBC/Radio-Canada's 75th anniversary plans		Bill Chambers		YES
12. Strategic Planning Committee Report follow-up		Peter Charbonneau		
Working Lunch - Update on News		Sylvain Lafrance Kirstine Stewart		
Next meeting – November 16 - 17, 2010 - Toronto, ON				
Conclude	15:00			

377th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – September 21 – 22, 2010

UPDATES/INFORMATION

a) Summary of Government Funding (10 year operating & capital) – Suzanne Morris
b) Labour Relations Update – Katya Laviolette
c) Workforce Distribution – Katya Laviolette
d) 2010-2011 Quarterly Management Financial Report – 1st Quarter – Suzanne Morris
e) Update re Risk Management– Suzanne Morris

Board of Directors
September 21, 2010

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at September 02, 2010. The approved reference levels for 2011-2012 and beyond are also provided.

Information on the matter

See attached.

For information [X]

Prepared by

Name: Suzanne Morris
Date: Sept 02, 2010

Management recommendation

Not required.

Last discussed at the Board

Date: June 22, 2010
Decision made: N/A

Next steps

Not required.

Anticipated project completion date: ____________
(If contract, indicate date of expiry): ____________

CBC'S PARLIAMENTARY APPROPRIATIONS
($ Thousands)

										Current	*Forecast*		
	2001/02	**2002/03**	**2003/04**	**2004/05**	**2005/06**	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**	**2011/12**	**2012/13**	**2013/14**
Operating Appropriation (Note 1)	853,074	861,744	862,460	914,197	955,410	955,722	955,731	1,009,121	1,002,668	1,002,675	1,002,675	1,002,675	1,002,675
One-time funding adjustments:													
Transfer from Capital appropriation			3,636	1,112	9,277	9,277	9,277	9,276	9,276				
Transfer to Capital appropriation	(15,170)	(7,459)	(40,921)	(10,538)	(8,456)	(42,676)	(27,344)	(13,622)	(34,874)	(9,233)	(9,941)	(10,704)	(11,525)
Funding to strengthen & revitalize programs	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
Transfers from Cdn. Heritage (CCOL)	2,500	2,120	2,000	2,000		2,000	1,900	2,000					
Reprofiling	(60,000)	20,000	40,000	(20,000)				20,000					
Cost increases for 2002 Canada Day		1,027											
Funding for RCI (Note 2)			15,520										
Expenditure Review Reduction (Budget 2003)			(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Expenditure Review Reduction (Budget 2007)								(6,638)	(9,483)	(11,854)	(14,680)	(14,680)	(14,680)
Total Operating Appropriation	840,404	937,432	932,695	936,771	1,006,231	974,323	989,564	1,070,137	1,017,587	1,031,588	968,054	967,291	966,470
Capital Appropriation	100,311	97,631	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331
One-time funding adjustments:													
Transfer to Operating appropriation			(3,636)	(1,112)	(9,277)	(9,277)	(9,277)	(9,276)	(9,276)				
Transfer from Operating appropriation	15,170	7,459	40,921	10,538	8,456	42,676	27,344	13,622	34,874	9,233	9,941	10,704	11,525
Reprofiling of vote from 00/01 to 01/02	23,000												
Reprofiling of vote from 04/05 to 05/06				(6,000)	6,000								
Reprofiling of vote from 05/06 to 06/07					(10,000)	10,000							
Total Capital Appropriation	138,481	105,090	129,616	95,757	87,510	135,730	110,398	96,677	117,929	101,564	102,272	103,035	103,856
Working Capital Appropriation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL APPROPRIATION	982,885	1,046,522	1,066,311	1,036,528	1,097,741	1,114,053	1,103,962	1,170,814	1,139,516	1,137,152	1,074,326	1,074,326	1,074,326
Less Reprofiling Decision (Capital)	**(23,000)**			**6,000**	**4,000**	**(10,000)**							
Less Reprofiling Decision (Operating)	**60,000**	**(20,000)**	**(40,000)**	**20,000**				**(20,000)**					
TOTAL APPROPRIATION AVAILABLE FOR REGULAR OPERATIONS	1,019,885	1,026,522	1,026,311	1,062,528	1,101,741	1,104,053	1,103,962	1,150,814	1,139,516	1,137,152	1,074,326	1,074,326	1,074,326

Note 1 The operating appropriation includes retroactive and in-year salary funding adjustments up to and including 2009/10. The effect of Cost Containment Measures in Budget 2010 is that organizations will not be funded for increases in wages and salaries arising from future collective agreements for 2010/11 through 2012/13.

Note 2 Funding for RCI was previously provided through a contribution agreement with Canadian Heritage. Starting in 2003-04, funding forms part of CBC's appropriation and is shown in the base appropriation in 2004-05 and future years.

Board of Directors
September 21 & 22, 2010

Subject matter

Industrial Relations Update

Background

This is a standing item on the Board of Directors' agenda providing the status of CBC / Radio-Canada's collective agreements.

Information on the matter

Not applicable

For decision:	☐	**For information:**	X

Prepared by

Name:	**Katya Laviolette**, Vice-president, People and Culture
Date:	August 30, 2010

Recommendation

Not applicable

Last discussed at the Board

Date:	**June 22 & 23, 2010**
Decision made:	

Next steps

Industrial Relations Update for the Board of Directors' Meeting
September 21 & 22, 2010

AGREEMENTS PRESENTLY BEING NEGOTIATED

UNION	Effective Date	# of Members	Central Issues
FRENCH FILE			
UDA (Union des artistes)	**Nov. 14, 2005 – Nov. 13, 2009**	**N/A**	Notice to bargain was received on February 15, 2010. The key issues are original production, residuals and commercial use of material on emerging platforms. **Nine meetings have been held to date. On account of the summer holidays, the parties took a break from negotiations during the month of August. Bargaining will resume in the fall, however, with two sessions a week scheduled for September and October. We hope to reach an agreement within this timeframe.**
SCFP (Syndicat canadien de la fonction publique)	**Oct. 1, 2007 – Sept. 26, 2010**	**597**	**The notice to bargain for renewing the SRC/SCFP collective agreement was received on June 29, 2010. The existing agreement expires on September 26. The mandate for these negotiations was approved at the last Board meeting. Bargaining sessions are scheduled for mid-September.** **Over the course of these negotiations, SRC would like to clarify and amend certain aspects of the agreement, such as the provisions covering probation, bumping rules, and the posting of temporary vacancies.**
SARTEC (Société des auteurs de la radio, de la télévision et du cinéma)	**July 10, 2006 – July 9, 2010**	**N/A**	The notice to bargain was received on March 15, 2010. The current collective agreement expired on July 9, 2010. **The mandate for these negotiations was approved at the May 2010 Board meeting.** **The first bargaining session to renew the collective agreement will be held on August 31. This meeting will serve to draft an agenda for negotiations.** **The key issues will be residual rights and original production on the Web; the posting of programs for catch-up online; and advance payments in commercial markets.**
ENGLISH FILE			

A0047259_2-000006

UNION	Effective Date	# of Members	Central Issues
WGC (Writers Guild of Canada) **<u>Television and Radio Agreement</u>**	**Sept. 1, 1998 – August 31, 2000**	**N/A**	Agreements were to expire August 31, 2000. Parties agreed to extend until further notice. Notice to bargain has not been given by either side. An agreement was reached with the WGC for internet and digital rights for use of material that was originally produced by CBC under the WGC Radio and Television Agreements. Terms reached were within agreed mandate of 15% step-up. In addition, rights for use of material created under the WGC Radio Agreement for distribution on Sirius Satellite Radio has been agreed to within mandate. However, the WGC has advised that it is not in a position to agree to terms for original production for the internet, but will negotiate terms on a case by case basis – which is what the WGC currently does with independent producers.
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United Sates and Canada) (Stagehands)	**No agreement since 1994**	**N/A**	IATSE has requested that the CBC meet with them to renegotiate the collective agreement which has not been updated for at least 15 years. Internal discussions need to occur with appropriate individuals and affected departments at the CBC to determine if we renegotiate or just accept house agreements and, if we renegotiate, what we wish to obtain from those negotiations? Discussions are continuing with management and with IATSE.
NATIONAL FILE			
AFM (The American Federation of Musicians of the United States and Canada)	**April 1, 2006 – March 31, 2010**	**N/A**	The AFM and CBC/SRC have agreed to extend the Agreement(s) for 6 months, and agreed to an increase of 1%. The parties will be negotiating during this period to reach terms and conditions. The rates should be adjusted effective April 1st. The extension is for the period April 1, 2010 through to September 30, 2010. The primary focus for this negotiation will be a re-design of the agreements, mindful of the changes in the business as content providers rather than platform driven. **Negotiations continue.**

UNION	Effective Date	# of Members	Central Issues
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	**July 1, 2005 – June 30, 2010**	**N/A**	CBC has received notice to bargain from ACTRA. The Agreement(s) expired June 30, 2010. The Board approved in May 2010 a mandate for renewal (two year duration) with a rate increase of 1.5% per year. **Discussion are ongoing.** **Due to the very low expenditures and the extensive negotiations for the last renewal, ACTRA is not interested in lengthy bargaining. ACTRA's settlements within the industry have been 2% (two and three year terms) namely with the Independent Producers and the National Film Board.** **CBC is seeking a one-year agreement whilst we continue negotiations for a single agreement with AFM and develop the "Music Strategy". Both of these points will fundamentally impact how we contract and will require a major re-write of the ACTRA agreements.** **The parties are at an impasse. ACTRA is aggressively pursuing a 2.0% rate increase for the renewal and has indicated that it has no intention on settling for anything less. The financial impact of the 0.5% difference is approximately $5,000 based on current expenditures of $750,000 a year. The negotiation options currently being considered are the following:** **a) Hold firm as per the mandate of the Board (<u>Recommended course of action</u>)** **This approach could lead to adverse behaviour and actions by Stephen Waddell, ACTRA's Exective Director, a well known and highly active person within the political arena. He is a major supporter and promoter of the CBC. There is also a possibility that ACTRA could apply pressure tactics. As CBC's expenditures with ACTRA are extremely low, the pressure is most likely to come in the form of negative press rather than a withholding of services.** **b) Increase the rates from 1.5% to 2.0% (and reduce the term to one year) in an effort to achieve a quick settlement** **There are considerations of "optics" associated with this approach. Negotiations with SCFP in French Services are beginning in September 2010 and we are facing wage re-opener clauses with both the CMG and STARF in the spring of 2011. Increasing rates to 2.0% might signal a willingness to move to a higher rate with other unions. In addition, we are currently in negotiations with other talent unions (i.e. UDA, AFM and SARTEC) for which CBC/Radio-Canada has much higher levels of expenditure.**

NEGOTIATED COLLECTIVE AGREEMENTS

UNION		Effective Dates of Collective Agreement	Number of Members **
NATIONAL FILE			
APS	Association of Professionals and Supervisors	July 1, 2008 – June 30, 2013	722
AFM	The American Federation of Musicians of the United States and Canada (AFM)	April 1, 2006 – March 31, 2010	N/A
ENGLISH FILE			
CMG	Canadian Media Guild	April 1, 2009 – March 31, 2014	4,639
ACTRA	Alliance of Canadian Cinema, Television and Radio Artists (Performers)	July 1, 2005 – June 30, 2010	N/A
FRENCH FILE			
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006 – March 29, 2009	1,708
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 1, 2009 – March 31, 2012	1,243
UDA	Union des artistes	November 14, 2005 – November 13, 2009	N/A
SARTEC	Société des auteurs de la radio, de la télévision et du cinéma	July 10, 2006 – July 9, 2010	N/A
SPACQ	Société professionnelle des auteurs et des compositeurs du Québec	January 8, 2007 – January 7, 2011	N/A
AR	Association des réalisateurs	October 1, 2007 – December 11, 2011	343
SCFP	Syndicat canadien de la fonction publique	October 1, 2007 – September 26, 2010	597

*** Number of members revised as of August 1st, 2010*

Board of Directors
September 21-22, 2010

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by:

- media component with a comparison to beginning fiscal year;
- geographic location (map of Canada)

Information on the matter

Attached

For decision:	☐	**For information:**	X

Prepared by

Name: **Katya Laviolette**, Vice-president, People and Culture

Date: August 30, 2010

Recommendation

Not applicable

Last discussed at the Board

Date: **June 22-23, 2010**

Decision made:

Next steps

Conseil d'administration

Les 21 et 22 septembre 2010

Sujet

Information sur la main-d'oeuvre

Contexte

Les documents en annexe présentent la main-d'oeuvre totale exprimée en équivalent à temps plein (ETP) et ventilée par:

- composante média (avec une comparaison par rapport au début de l'exercice);
- lieu géographique (carte du Canada).

Renseignements connexes

Voir document joint.

Pour décision: ☐ **Pour information:** X

Préparé par

Nom: **Katya Laviolette**, vice-présidente, Personnes et Culture

Date: Le 30 août 2010

Recommandation

Sans objet.

Dernière discussion au Conseil

Date: **Les 22 et 23 juin 2010**

Décision prise:

Prochaines étapes

TOTAL WORKFORCE / EFFECTIF TOTAL

Full Time Equivalent / Équivalent temps plein

Month / Mois : July / juillet 2010

(August 1, 2010 / Le 1 aout 2010)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL *	TOTAL Begin. FYR 2010/11 Début de l'exercice 2010/11 **	Variance Écart
English Services/ Services anglais	3 285	105	290	510	4 189	4 212	-23
French Services/ Services français	2 954	296	361	992	4 603	4 246	358
Corporate/ National	858	38	120	14	1 030	1 127	-96
TOTAL	**7 097**	**439**	**772**	**1 515**	**9 823** *	**9 584** **	**239**

* 9,823 FTE/EPT = 10,564 head count / effectifs réels.
** March 28, 2010: 9,584 FTE/EPT = 10,336 head count / effectifs réels.

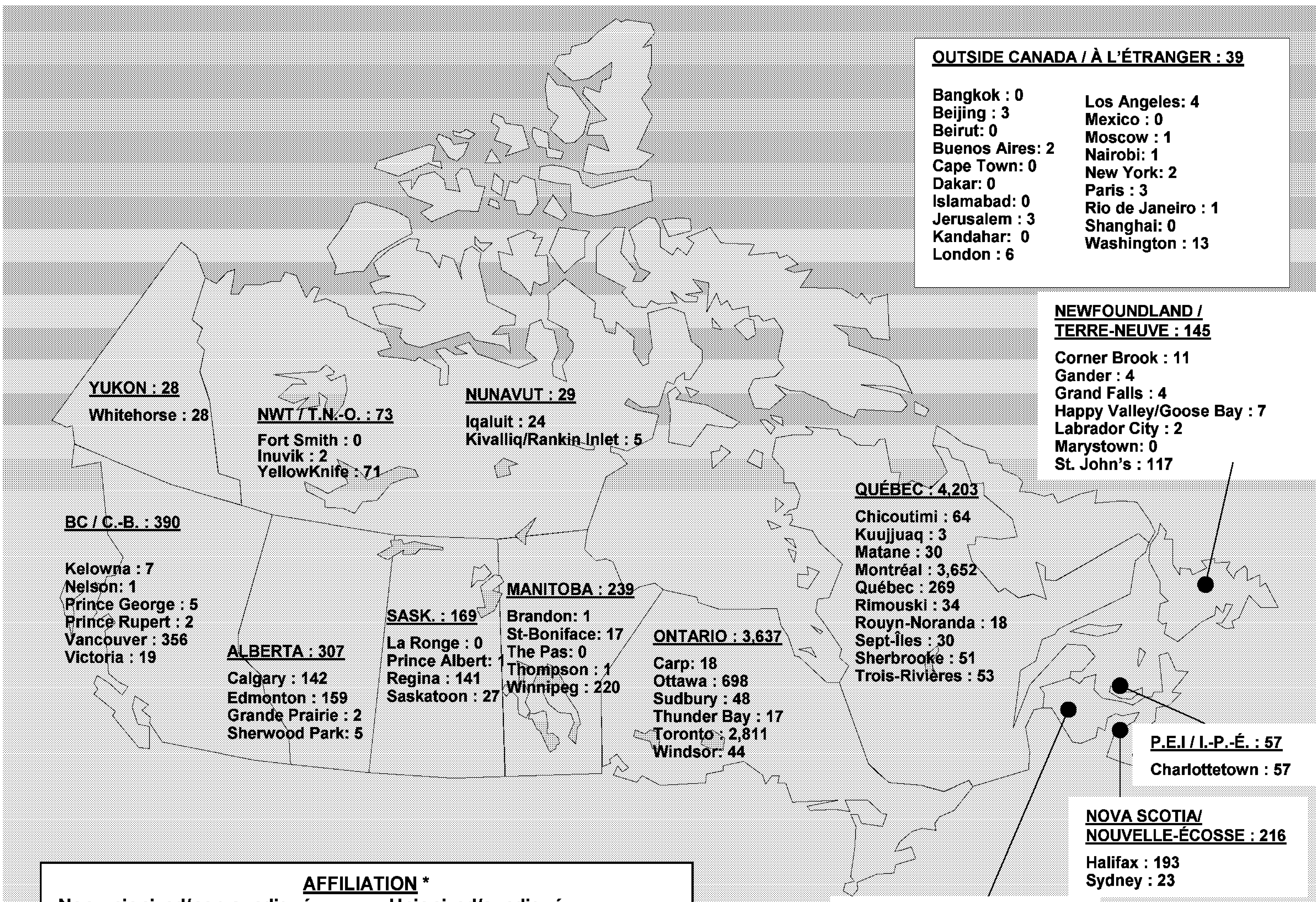
s.21(1)(b)

Prepared by: Shared Services / Corporate Reporting.

CBC/Radio-Canada Map / Carte

Full Time Equivalent / Équivalent temps plein

July 2010 / juillet 2010



AFFILIATION *

Non-unionized/non-syndiqué:		Unionized/syndiqué:	
Unaffiliated:	22	APS:	715
Executives:	55	CMG:	4188
MS:	1049	SCRC:	1597
Confidential:	181	STARF:	1119
SUBTOTAL:	1,306 (13%)	SCFP:	570
		AR:	328
		SUBTOTAL	8,517 (87%)
GRAND TOTAL:	9,823		

Total FTE/ETP 9,371 = Head count / effectifs réels 10,225

* The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

Shared Services / Services partagés

A0047270_4-000013

Board of Directors
(September 15, 2010)

Subject matter

2010/2011 Quarterly Financial Management Report (Unaudited) – First quarter results.

Background

N/A

Information on the matter

See attached.

For decision **For information X**

Prepared by

Name:	Suzanne Morris
Date:	September 3, 2010

Management recommendation

N/A

Last discussed at the Board

Date:	June 21, 2010
Decision made:	Reviewed 2009/2010 Quarterly Financial Management Report - March 2010 results.

Next steps

2nd quarter results will be presented in November 2010

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CBC Radio-Canada

2010/2011
QUARTERLY FINANCIAL MANAGEMENT REPORT
1st quarter, ended June 30, 2010

September 15, 2010

Confidential for Internal Purposes

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TABLE OF CONTENTS

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QUARTERLY FINANCIAL MANAGEMENT REPORT

For the first quarter ended June 30, 2010 and 2009

Financial Reporting Basis

CBC/Radio-Canada prepares its financial results using two different accounting approaches.

The Broadcasting Act requires CBC/Radio-Canada to submit Annual Reports to the Minister of Canadian Heritage containing audited consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

In addition, for management purposes, CBC/Radio-Canada reports its financial results on a budget basis, which differs from GAAP. Certain non-cash items such as accrued pension plan expenses and other employee future benefits and amortisation are not recognised on a budget basis.

Financial Review and Analysis Content

The review and analysis of CBC/Radio-Canada's financial results for the first quarter ended June 30, 2010 and 2009 is presented in accordance with GAAP and on a budget basis.

Financial statements prepared on a GAAP basis are presented for the period ended June 30, 2010 and compared to the results for the same period in 2009/2010. Significant changes in Balance Sheet and Statement of Operations results between the periods are also explained starting on page 5.

The quarterly financial statements are unaudited and do not include full note disclosure. They should be read in conjunction with the 2009/2010 audited consolidated financial statements, which provide full note disclosure in accordance with GAAP.

This report also presents and analyses segmented results of operations for the three months ended June 30, 2010, compared to the year-to-date budget, and to the year-to-date results for the same period in 2009/2010 on budget basis. Segmented results are presented for English and French media services, Media-Related and Support Activities. Year-end forecasts are also included in this quarterly report.

In addition, an overview of the capital budget and a cash forecast is presented for the first quarter ended June 30, 2010.

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FINANCIAL STATEMENTS- GAAP BASIS

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Unaudited

Consolidated Balance Sheet

As at June 30

(in $000's)

	2010	2009
ASSETS		
Current		
Cash and cash equivalents	107,058	104,399
Accounts receivable	182,597	151,812
Programming	220,641	241,108
Merchandising inventory	1,684	5,669
Prepaid expenses	84,429	17,280
Net investment in sales-type leases	-	2,096
Derivative financial instruments	488	2,248
	596,897	**524,612**
Long-term		
Property and equipment	951,440	977,206
Long-term receivables	11,794	76,693
Net investment in sales-type leases	-	60,341
Deferred charges	3,273	1,861
Long-term investments	7,260	6,565
	1,570,664	1,647,278
LIABILITIES		
Current		
Accounts payable and accrued liabilities	112,382	104,378
Pension plans and employee-related liabilities	129,206	170,034
Bonds payable	13,520	12,949
Financial guarantee	10,267	-
Financial liability related to the monetisation of receivables	10,034	-
Deferred revenues	1,396	9,620
Deferred operating vote drawdown	88,940	80,112
	365,745	**377,093**
Long-term		
Long-term investments	1,417	1,417
Deferred revenues	2,303	8,319
Pension plans and employee-related liabilities	412,732	393,974
Bonds payable	304,300	313,880
Financial liability related to the monetisation of receivables	10,221	-
Deferred capital funding	627,458	626,798
	1,358,431	**1,344,388**
Minority interest	**370**	**268**
EQUITY		
Retained earnings (deficit)	(153,882)	(74,471)
	(153,882)	**(74,471)**
	1,570,664	1,647,278

Commitments and contingencies (notes 5 and 6)

The accompanying notes form an integral part of the consolidated financial statements.

BALANCE SHEET

ASSETS
(thousands of dollars)

	2010	2009	Variance	%
Cash and cash equivalents	107,058	104,399	2,659	2.60%

Cash and cash equivalents increased by $2.7 million due to a number of offsetting changes in cash inflows and outflows. These are explained in the analysis on page 19.

	2010	2009	Variance	%
Accounts receivable	182,597	151,812	30,785	20.3%

	2010	2009	Variance	%
Programming	220,641	241,108	(20,467)	(8.5%)

Programming assets decreased by $20.5 million mainly due to a lower level of procured programs and films rights. Additional information is available on page 21.

	2010	2009	Variance	%
Merchandising inventory	1,684	5,669	(3,985)	(69.3%)

s.18(a)
s.18(b)

s.68.1

s.18(a)
s.18(b)

	2010	2009	Variance	%
Prepaid expenses	84,429	17,280	67,149	388.6%

	2010	2009	Variance	%
Long-term receivables	11,794	76,693	(64,899)	(84.6%)

Long-term receivables decreased by $64.9 million mainly due to the sale of the Ontrea notes receivable to the CBC Monetization Trust.

	2010	2009	Variance	%
Investment in sales-type leases [long-term]	-	60,341	(60,341)	(100.0%)

The **investment in sales-type leases [long-term]** was eliminated following the concurrent lease agreement with the CBC Monetization Trust (Ontrea transaction) in 2009-2010.

LIABILITIES
(thousands of dollars)

	2010	2009	Variance	%
Accounts payable and accrued liabilities	112,382	104,378	8,004	7.7%

Accounts payable and accrued liabilities increased by $8.0 million mainly due to timing differences in the Corporation's purchasing and payment profile.

	2010	2009	Variance	%
Pension plans and employee-related liabilities [current]	129,206	170,034	(40,828)	(24.0%)

The decrease of $40.8 million in **pension plans and employee-related liabilities [current]** is mainly explained by the workforce reduction plan accrual included in the 2009-2010 results. The majority of the severance payments were made in July and August 2009.

	2010	2009	Variance	%
Financial guarantee	10,267	-	10,267	100%

The **financial guarantee** relates to the sale of receivables to the qualified special purpose entity (Monetisation Trust). The Corporation provided an absolute and unconditional guarantee for the full and timely payment of receivables by the ultimate debtors.

	2010	2009	Variance	%
Financial liability related to the monetisation of receivables	10,034	-	10,034	100%

Financial liability related to the monetisation of receivables relates to the Galaxie receivables, and is attributable to the transfer of receivables to an unrelated third party under the Corporations' financial Recovery Plan in 2009-2010. The Corporation was entitled to receive certain payments as a result of the sale of Galaxie service. In September 2009, the Corporation entered into a transaction with an unrelated party to monetise the outstanding receivables. Since the transaction does not meet all of the conditions to be recorded as a sale of receivables under GAAP, the Corporation continues to carry the transferred receivables on its Consolidated Balance Sheet and has recognised a financial liability for the amount of consideration received.

	2010	2009	Variance	%
Deferred revenues [current]	1,396	9,620	(8,224)	(85.5%)

The decrease of $8.2 million in **deferred revenues [current]** is explained by deferred revenues related to the sale of Galaxie, which were recognized in fiscal year 2009-2010.

	2010	2009	Variance	%
Deferred operating vote drawdown	88,940	80,112	8,828	(11.1%)

Deferred operating vote drawdown represents the difference between the operating appropriation drawdown during the first quarter for cash flow purposes and the operating appropriation recognised as revenue based on planned expenditures. The increased deferral of $8.8 million compared to the same quarter last year reflects the decreased use of operating appropriations this quarter due to higher third party revenues. The deferred operating vote drawdown is a timing difference that will reduce to zero by year-end as the entire operating appropriation will be recognised as revenue.

	2010	2009	Variance	%
Deferred revenues [long-term]	2,303	8,319	(6,016)	(72.3%)

The decrease of $6.0 million in **deferred revenues [long-term]** is explained by deferred revenues related to the sale of Galaxie, which were recognized in fiscal year 2009-2010.

	2010	2009	Variance	%
Pension plans and employee-related liabilities [long term]	412,732	393,974	18,758	4.8%

Pension plans and employee-related liabilities [long-term] increased by $18.8 million as a result of an increase in amortisation of actuarial losses partially offset by a change in discount rates from 5.25% to 5.75%.

Unaudited

Consolidated Statement of Operations

For the three months ended June 30

(in $000's)

	2010	2009
Revenues		
Advertising	104,015	84,900
Specialty Services	35,807	37,760
Other income	27,063	13,551
Financing income	447	2,284
	167,332	**138,495**
Expenses		
Television, radio and new media services costs	381,879	347,170
Specialty Services	27,072	26,483
Amortisation of property and equipment	30,154	30,288
Transmission, distribution and collection	11,403	13,149
Corporate management	2,501	3,646
Payments to private stations	759	1,157
	453,768	**421,893**
Operating loss before Government funding, non-operating revenues and minority interest	**(286,436)**	**(283,398)**
Government funding		
Parliamentary appropriation for operating expenditures	239,507	255,180
Parliamentary appropriation for working capital	1,000	1,000
Amortisation of deferred capital funding	30,154	30,288
	270,661	**286,468**
Net results before non-operating revenues and minority interests	**(15,775)**	**3,070**
Non-operating revenues		
Galaxie non-operating revenues	-	2,205
Net results before minority interests	**(15,775)**	**5,275**
Minority Interests	(51)	11
Net results for the period	(15,826)	5,286

The accompanying notes form an integral part of the consolidated financial statements.

STATEMENT OF OPERATIONS

REVENUES
For the three months ended June 30
(thousands of dollars)

	2010	2009	Variance	%
Advertising	104,015	84,900	19,115	22.6%

Advertising revenues increased by $19 million in 2010-2011, mainly due to the increased performance of hockey, extended playoff series as well as additional revenues from

	2010	2009	Variance	%
Other income	27,063	13,551	13,512	99.8%

EXPENSES
For the three months ended June 30
(thousands of dollars)

	2010	2009	Variance	%
Television, radio and new media services costs	381,879	347,170	34,709	10.0%

s.18(a)
s.18(b)

GOVERNMENT FUNDING
For the three months ended June 30
(thousands of dollars)

	2010	2009	Variance	%
Parliamentary appropriation for operating expenditures	239,507	255,180	(15,673)	(6.2%)

The **Parliamentary appropriation for operating expenditures** recognised as revenue in the first quarter reduced by $15.7 million compared to last year due to the increase in planned third-party revenues. The entire operating appropriation voted to the corporation for the fiscal year will be recognised as revenue by year-end.

	2010	2009	Variance	%
Net results for the period	(15,826)	5,286	(21,112)	(399.4%)

The **net results** for the first quarter this year were lower by $21.1 million primarily due to the timing of the recognition of the operating appropriation into revenue. There was $15.7 million less in operating appropriations recognised as revenue this quarter and the operating loss before government funding, non-operating revenues and minority interests were $3.0 million higher than the first quarter last year. In addition, Galaxie non-operating revenue of $2.2 million that was recorded in the first quarter last year is now fully amortised.

Unaudited

Consolidated Statement of Comprehensive Income (Loss)

For the three months ended June 30

(in $000's)

	2010	2009
Net results for the period	**(15,826)**	**5,286**
Other comprehensive income	-	-
Total comprehensive income (loss) for the period	(15,826)	5,286

The accompanying notes form an integral part of the consolidated financial statements.

Unaudited

Consolidated Statement of Changes in Equity

For the three months ended June 30

(in $000's)

	2010	2009
Retained earnings (deficit)		
Balance, beginning of the year	(138,056)	(79,757)
Net results for the period	(15,826)	5,286
Retained earnings (deficit), end of the period	**(153,882)**	**(74,471)**
Accumulated other comprehensive income (loss)		
Accumulated other comprehensive income (loss), beginning of the year	-	-
Other comprehensive income for the period	-	-
Accumulated other comprehensive income (loss), end of the period	**-**	**-**
Retained earnings (deficit), end of the period	(153,882)	(74,471)

The accompanying notes form an integral part of the consolidated financial statements.

Unaudited

Consolidated Statement of Cash Flows

For the three months ended June 30

(in $000's)

	2010	2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net results for the period	(15,826)	5,286
Items not involving cash:		
Loss on disposal of equipment	343	71
Change in fair value of financial instruments	(785)	2,311
Amortisation of property and equipment	30,154	30,288
Change in deferred charges	13,418	13,189
Amortisation of deferred capital funding	(30,154)	(30,288)
Change in deferred revenues [long-term]	-	(2,164)
Change in long-term receivables	-	(127)
Change in pension plans and employee-related liabilities [current]	19,681	18,403
Change in minority interest	51	(11)
Net change in non-cash working capital balances	30,222	36,935
	47,104	**73,893**
FINANCING ACTIVITIES		
Parliamentary appropriations :		
Capital funding	25,391	21,708
Repayment of bonds payable	(4,531)	(4,208)
	20,860	**17,500**
INVESTING ACTIVITIES		
Acquisition of property and equipment	(9,047)	(18,432)
Capital recovery from notes receivable	-	391
Capital recovery from net investment in sales-type leases	-	414
Deferred charges	(1,928)	(2,536)
Proceeds from disposal of equipment	66	9
	(10,909)	**(20,154)**
Change in cash	**57,055**	**71,239**
Cash, beginning of year	**50,003**	**33,160**
Cash, end of period	**107,058**	**104,399**

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2010

1. AUTHORITY AND OBJECTIVE

CBC/Radio-Canada (the Corporation) was first established by the 1936 *Canadian Broadcasting Act* and continued by the 1958, 1968 and 1991 *Broadcasting Acts*. The Corporation is an agent of Her Majesty and all assets and liabilities are those of the Government.

As the national public broadcaster, the Corporation provides radio, television and new media services in both official languages incorporating predominantly and distinctively Canadian programs to reflect Canada and its regions to national and regional audiences.

The Corporation is accountable to Parliament through the Minister of Canadian Heritage and Official Languages and in accordance with section 85(1.1) of the *Financial Administration Act*, the Corporation is exempt from Divisions I to IV of Part X of this *Act*, except for subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.

The Corporation is a federal Crown Corporation subject to federal corporate income tax by virtue of the *Income Tax Act* (Canada) and the Regulations thereto. The Corporation is not subject to any provincial corporate income taxes but is subject to sales taxes at both the federal and provincial levels.

2. FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The same accounting policies described in the consolidated financial statements included in the latest annual report of the Corporation have been used. However, the consolidated financial statements do not include all disclosure under Canadian GAAP for an annual report and accordingly should be read in conjunction with the Corporation's latest annual consolidated financial statements and notes thereto.

These quarterly financial statements do not include revised estimates of employee future benefits, as actuarial valuations are currently prepared annually. Pending resolution by the Canadian Institute of Actuaries of the IFRS accounting methodology for pension accounting expected by November 2010, quarterly estimates of employee future benefits will be prepared. These will include estimates beginning as at June 30, 2010 for financial statements comparative purposes.

3. ACCOUNTING CHANGES

In February 2008, the Canadian Accounting Standards Board of the CICA announced that all publicly accountable Canadian reporting entities will adopt IFRS as Canadian GAAP for years beginning on or after January 1, 2011.

In September 2009, the Public Sector Accounting Board approved amendments to “Introduction to Public Sector Accounting Standards”. Following these amendments, the Corporation is now classified as an other government organisation (OGO). As an OGO, the Corporation is required to assess the most appropriate basis of accounting. After assessing various factors, the Corporation has determined that IFRS constitutes the most appropriate basis of accounting.

The changeover date for full adoption of IFRS will be April 1, 2011 for the Corporation. The Corporation’s 2011-2012 consolidated financial statements will comply with IFRS. The standards also require that the Corporation presents complete comparative figures based on IFRS methodology in the 2011-2012 consolidated financial statements. The Corporation is currently reviewing the standards and assessing the potential impact on its consolidated financial statements.

4. FINANCIAL INSTRUMENTS

A. Financial Risk Management

The Corporation’s activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Corporation’s overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimise potential effects on the Corporation’s financial performance. The risk management is carried out through financial management practices in conjunction with the overall Corporation’s governance. The Board of Directors is responsible for overseeing the management of financial risk.

B. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is exposed to currency risk and interest rate risk.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to limited foreign exchange risk on revenues and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The Corporation's primary objective in managing currency risk is to preserve cash flows and reduce variations in performance. The policy on currency risk requires the Corporation to minimise currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations. The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

(ii) Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's long-term receivables, bonds payable and financial liability related to the monetisation of receivables are subject to interest rate fluctuations since they bear a fixed interest rate. An increase or decrease in market rates will affect the fair value of these financial instruments.

C. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit risk through its cash, investments, accounts receivable, long-term receivables, and forward exchange contracts.

The maximum exposure to credit risk of the Corporation at June 30, 2010, is the carrying value of these assets.

(i) Cash and investments

The Corporation has deposited cash with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be minimal.

The Corporation's investments are managed via an investment policy which guides the Corporation in its investment decisions. The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. The investments must be 100 per cent guaranteed by the Government of Canada to ensure that the Corporation has negligible exposure to credit risk.

(ii) Accounts Receivable

The Corporation's accounts receivable are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited by following a program of credit evaluation and by limiting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a general allowance and an additional allowance that is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience.

(iii) Forward Exchange Contracts

The policy on currency risk requires the Corporation to manage derivative counterparty credit risk by contracting primarily with providers holding credit ratings equivalent to or better than that of the major Canadian banks.

D. Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations associated with financial liabilities.

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does not have the authority to obtain a line of credit or long-term debt without the prior approval of the Minister of Finance.

5. COMMITMENTS

The Corporation entered into commitments by renewing purchase agreements and entering into new purchase agreements. Management estimates that these new commitments, for the three-month period ended June 30, 2010, will result in future expenditures of approximately $102 million. In total, as of June 30, 2010, the Corporation had $841M of commitments to be paid over the following 13 years.

For the three-month period ended June 30, 2009, the Corporation entered into commitments which resulted in future expenditures of approximately $86 million. In total, as of June 30, 2009, the Corporation had $1,023M of commitments to be paid over the following 8 years.

6. CONTINGENCIES

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief and could result in significant expenditures. Litigations are subject to many uncertainties and the outcome of individual matters is not always predictable. Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that it is likely that the future event will result in a loss and the amount of such loss can be reasonably estimated, a liability has been accrued and an expense recorded.

There were no significant changes in the Corporation's contingencies as of June 30, 2010 with respect to the information disclosed in the annual report for the year ended March 31, 2010.

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SUPPORTING SCHEDULES

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Cash and Cash Equivalents
as at June 30
(in $000's)

s.20(1)(b)

The Corporation started the year with an opening cash balance $17 million higher than last year. The cash inflows for the period between April to June 2010 are higher by $35 million compared to the same period last year mainly due to higher commodity tax recoveries and the Local Programming Improvement Funds received.

The disbursements between April and June 2010 are higher by $49 million compared to the same period last year mainly due to higher payroll payments due to the timing of schedule and the payment of Montreal's grants in lieu of taxes. The increase is partially offset by the effect of the last quarter prepayment to

	2010	2009	Increase / (Decrease) Amount	Percent
Canadian and US Bank Accounts	106,119	102,916	3,203	3%
Foreign Bank Accounts	(319)	63	(382)	(606%)
Petty Cash, Production and Foreign Office Funds	1,225	1,480	(255)	(17%)
Foreign Exchange adjustments	33	(60)	93	(155%)
TOTAL	107,058	104,399	2,659	3%

Accounts Receivable
as at June 30

s.18(a)
s.18(b)

	2010 %	2010 (millions of $)	2009 %	2009 (millions of $)	Variance (millions of $)
Advertising					
Current (accruals)	24.4%	29.4	34.7%	32.9	(3.5)
1-30 days	34.7%	41.8	27.0%	25.5	16.3
31-60 days	23.9%	28.7	24.5%	23.2	5.5
61-90 days	9.6%	11.6	8.7%	8.2	3.4
91+ days	7.4%	8.9	5.1%	4.8	4.1
Total	**100.0%**	**120.4**	**100.0%**	**94.6**	**25.8**
Non-advertising		**62.2**		**57.2**	**5.0**
TOTAL - ACCOUNTS RECEIVABLE		182.6		151.8	30.8

Programming Assets
as at June 30
(in $000's)

Components	2010	2009	Variance
English Television			
French Television			
Indirect Costs Allocation *			
Documentary Channel			
TOTAL	220,641	241,108	(20,467)

s.18(a)
s.18(b)

More detailed information is provided in the "Programming Assets by Category" analysis on the next page.

* Overhead expenses applicable to program in inventory

s.18(a)
s.18(b)
s.68.1

Programming Assets by Category
as at June 30
(in $000's)

	2010	2009	Variance
English Television			
Arts & Entertainment			
A&E in-house			
Independent dramatic			
Independent music and variety			
Independent movies and mini-series			
Independent children, youth and daytime			
Independent development			
Total - Arts & Entertainment			
Network programming			
Documentary production unit			
Factual entertainment			
News & Current affairs			
Sports			
Regional inventory			
TOTAL - ENGLISH TELEVISION			
French Television			
Procured programs and films rights			
Current affairs and documentaries			
Drama			
Arts & Entertainment			
Sports			
TOTAL - FRENCH TELEVISION			

FINANCIAL STATEMENTS- BUDGET BASIS

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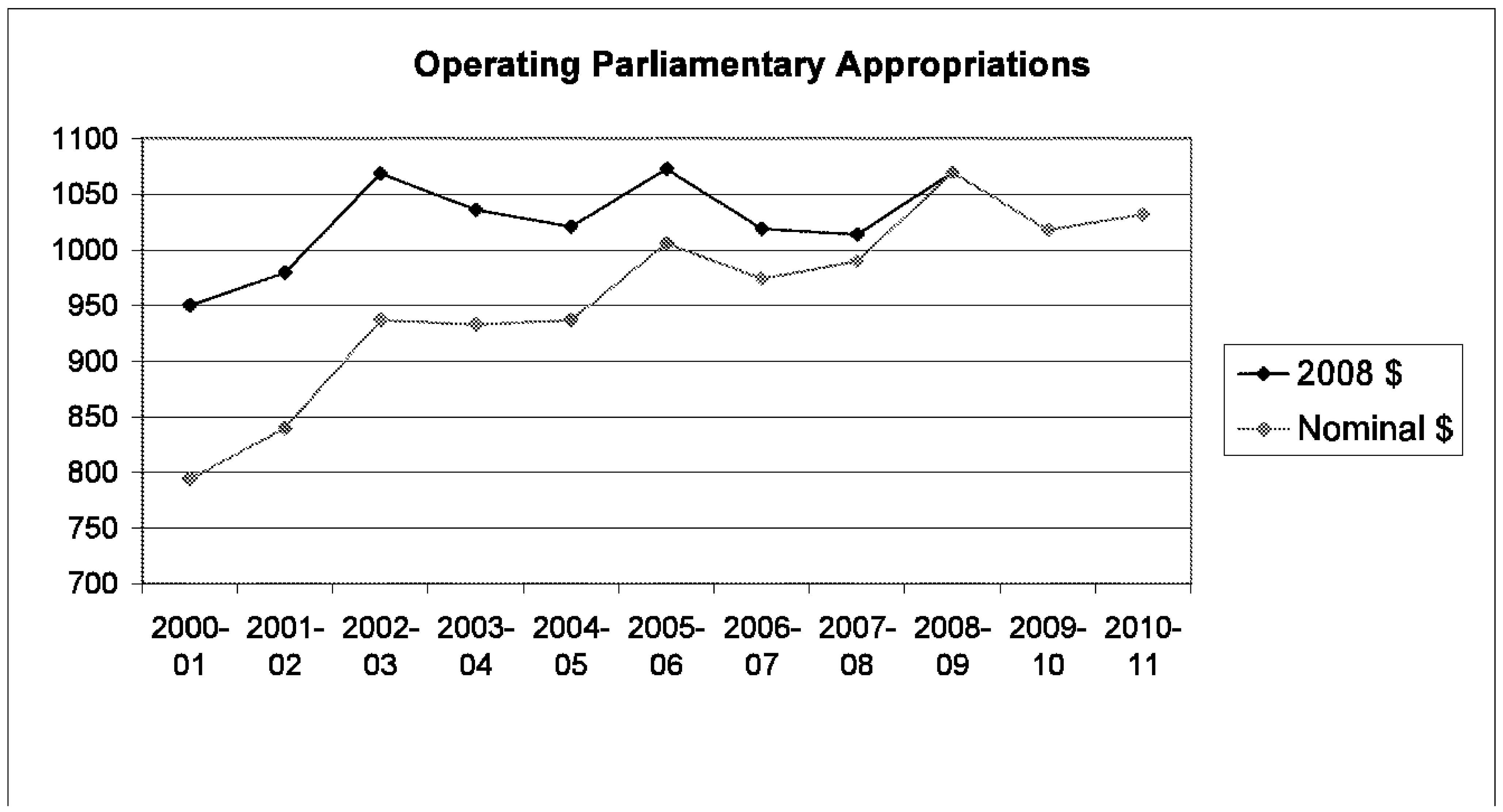
s.18(a)
s.18(b)

Financial Highlights
For the first quarter ended June 30



s.18(a)
s.18(b)

Financial Highlights
For the first quarter ended June 30

s.18(a)
s.18(b)

Overview of the three months ended June 30
(in $000's)

	2010/2011 Year-to-date			2010/2011 Annual Basis			2009/2010 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS								
Parliamentary Appropriation								
Drawdown								
(Used for) generated by working capital								
Planned								
Prior Year Carryover								
Government Funding and Carryover								
Revenues								
Local Programming Improvement Fund:								
English Television								
French Television								
Local Programming Improvement Fund								
Commercial Revenues:								
English Services								
French Services								
Commercial Revenues								
Miscellaneous Revenues-Regular Operations								
English Services								
French Services								
Others								
Miscellaneous Revenues								
Revenues-Specialty Services:								
CBC News Network								
bold								
Réseau de l'information								
Galaxie								
Revenues-Specialty Services								
SOURCE OF FUNDS								
APPLICATION OF FUNDS								
Expenditures:								
English Services								
French Services								
Media-Related Activities								
Support Activities								
APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

Overview Comments

s.18(a)
s.18(b)
s.68.
1

Consolidated English Services
For the three months ended June 30
($000's)

	2010/2011 Year-to-date			2010/2011 Annual Basis			2009/2010 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS								
Parliamentary Appropriation								
Prior Year Carryover								
Government Funding and Carryover								
Local Programming Improvement Fund								
<u>Revenues</u>								
English Television - Commercial - Television								
English Television - Commercial - Digital Services								
English Television - Commercial - Contras/Value-added								
English Television - Miscellaneous								
CBC News Network - Commercial								
CBC News Network - Subscriber and other revenue								
bold								
English Radio - Miscellaneous								
Total Revenues								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
English Television - Programming and Production								
English Television - Technical								
English Television - Regional Operations								
CBC News Network								
bold								
English Radio - Programming and Production								
English Radio - Technical								
English Radio - Regional Operations								
Sales and Marketing								
Programming and Other Commitments								
Contingency Reserves								
Media Management								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.68.
1

s.21(1)(b)

<u>Consolidated English Services Results Comments</u>

s.18(a)
s.18(b)
s.68.
1

Consolidated French Services
For the three months ended June 30
($000's)

	2010/2011 Year-to-date			2010/2011 Annual Basis			2009/2010 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS								
Parliamentary Appropriation								
Prior Year Carryover								
Total Government Funding and Carryover								
Local Programming Improvement Fund								
Revenues								
French Television-Commercial - Television								
French Television-Commercial - Digital Services								
French Television-Commercial - Contras/Value-added								
French Television-Miscellaneous								
Réseau de l'information - Commercial								
Réseau de l'information - Subscriber and Other Revenue								
French Radio and Radio Canada International - Miscellaneous								
Total Revenues								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
French Television - Programming and Production								
French Television - Technical								
French Television - Regional Operations								
Réseau de l'information								
French Radio - Programming and Production								
French Radio - Technical								
French Radio - Regional Operations								
Radio Canada International								
Revenue Group (excluding RDI)								
Programming and Other Commitments								
Media Management								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.21(1)(b)
s.68.
1

Consolidated French Services Results Comments

s.18(a)
s.18(b)

Media-Related Activities
For the three months ended June 30
($000's)

	2010/2011 Year-to-date			2010/2011 Annual Basis			2009/2010 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS								
Parliamentary Appropriation								
Prior Year Carryover								
Government Funding and Carryover								
Miscellaneous Revenues								
CBC Transmission and Distribution								
Real Estate Division								
Mobile Division-External Rentals								
Merchandising Division								
Galaxie								
TBC land interest								
Sirius								
Total Miscellaneous Revenues								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
Technology Strategy Board								
Broadcast and Telecommunication								
CBC Transmission and Distribution								
Real Estate Division								
Mobile Division								
Mobile Division-Recoveries from medias								
Merchandising Division								
Ottawa Production Centre								
Content Management								
Galaxie								
Corporate Reserve								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.21(1)(b)

<u>Media-Related Activities Results Comments</u>

s.18(a)
s.18(b)

Support Activities
For the three months ended June 30th
($000's)

	2010/2011 Year-to-date			2010/2011 Annual Basis			2009/2010 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Parliamentary Appropriation		25,957					29,094	(3,137)
Prior Year Carryover		0					0	0
Miscellaneous Revenues								
Strategy and Business Partnerships		248					26	222
CRRA		873					625	248
Interest and other administration revenues		211					227	(16)
Capital Recoveries		1,003					625	378
Total Miscellaneous Revenues		**2,335**					**1,503**	**832**
TOTAL SOURCE OF FUNDS		**28,292**					**30,597**	**(2,305)**
APPLICATION OF FUNDS								
Office of the President and CEO		385					313	(72)
Office of the Chairperson and Board of Directors		162					66	(96)
Branding, Communications and Corporate Affairs		1,180					1,199	19
Internal Audit		413					173	(240)
Priorities and Implementation		0					103	103
Training and Development		1,298					793	(505)
People and Culture		3,559					3,474	(85)
Severance Pay and Other Personnel Costs		1,954					2,590	636
Dental Plan, EAP and Crisis Management		853					1,086	233
Information Technology		6,471					8,205	1,734
Regulatory Affairs		351					270	(81)
Strategy and Business Partnerships		1,908					2,079	171
General Counsel and Corporate Secretariat		2,108					1,496	(612)
Corporate Finance and Administration		2,406					2,283	(123)
Insurance, Corporate Forms, Taxes, etc.		691					250	(441)
Shared Services		2,572					2,763	191
International Relations		0					5	5
Ombudsman - Toronto		78					79	1
Ombudsman - Montreal		86					73	(13)
Corporate New Media		40					257	217
TOTAL APPLICATION OF FUNDS		**26,515**					**27,557**	**1,042**
NET POSITION		1,777					3,040	(1,263)

s.18(a)
s.18(b)

Support Activities Results Comments

Reconciliation of Net Results of Operations GAAP to Budget Basis

The Corporation receives a significant portion of its funding through Parliamentary appropriations, based primarily on cash flow requirements. Expenses recognised in the Consolidated Statement of Operations in one period may be funded through Parliamentary appropriations in other periods/years. Accordingly, the Corporation's net results of operations for the period on a budget basis differ from those on a Canadian generally accepted accounting principles basis. The differences are outlined below:

For the three months ended June 30

	2010	2009
	(thousands of dollars)	
Net results for the period on a GAAP basis	**(15,826)**	**5,286**
Items not generating operating funds		
Amortisation of deferred capital funding	(30,154)	(30,288)
Loss on disposal of property and equipment	343	71
Parliamentary appropriation for working capital	(1,000)	(1,000)
Net proceeds generated from the sale of Galaxie (to be recognised in future years on a government funding basis)	-	(2,205)
Other	(799)	810
	(31,610)	**(32,612)**
Items not requiring operating funds		
Amortisation of property and equipment	30,154	30,288
Indirect costs allocated to programming assets	4,906	(1,915)
Annual leave	19,680	18,403
Other	(519)	1,614
	54,221	**48,390**
Net results of operations on a budget basis	**6,785**	**21,064**

s.18(a)
s.18(b)

Cash Forecast
as at June 30, 2010

	2010/2011 Actual / Forecast	2009/2010 Actual				
	Apr - Jun	**Apr - Jun**	**Jul - Sep**	**Oct - Dec**	**Jan - Mar**	**Total**
Opening balance (1)	**47,790**	**31,956**	**102,712**	**140,689**	**278,994**	**31,956**
Inflows						
Appropriations received (2)	381,137	371,350	304,500	311,908	138,809	1,126,567
Revenues (3)	175,882	150,646	162,470	141,046	189,130	643,292
Sale of assets	-	-	20,101	133,613	-	153,714
Outflows						
Expenditures (4)	(498,949)	(451,240)	(420,109)	(442,112)	(556,736)	(1,870,197)
VRIP/downsizing payout	-	-	(28,985)	(6,150)	(2,407)	(37,542)
Ending balance (1)	105,860 (5)	102,712	140,689	278,994	47,790	47,790

Note 1:

Note 2:

Note 3:

Note 4:

Note 5:

Note 6:

Note 7:

CAPITAL

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s.18(a)
s.18(b)

Capital

s.18(a)

s.18(b)

2010/2011 Capital Budget Overview as at June 30, 2010
Forecasted expenditures to Year-end
($000's)

Investment Class	Capital Plan	Forecasted Expenditures	Surplus/ (Deficit)	Actual Expenditures to Date	As % of Forecast
Legal and regulatory					
Mission critical					
Payback initiatives					
Growing the business					
Transmission strategy					
Efficiency projects					
Minor capital					
Corporate Contingency					
Impact of approved plan being higher than available capital (1)					
Total Surplus/(Deficit) Forecast (2) & (3)					

Component	Capital Plan	Forecasted Expenditures	Surplus/ (Deficit)	Actual Expenditures to Date	As % of Forecast
English Television (ETN)					
French Television (FTN)					
English Radio (ERN)					
French Radio (FRN)					
English New Media (ENM)					
French New Media (FNM)					
Information Technology (IT)					
Real Estate (RE)					
Toronto Broadcast Centre (TBC)					
Telecommunication					
Transmission Division (T&D)					
Human Resources (HR)					
Corporate Components					
Fleet Management					
Minor Capital					
Enterprise Wide (EW):					
Vision					
Vision post go live project					
Vancouver Redevelopment					
Newsroom System Project - iNews					
Desktop Radio - Permanent Solution					
Other					
Corporate Contingency					
Impact of approved plan being higher than available capital (1)					
TOTAL SURPLUS/(DEFICIT) FORECAST (2) & (8)					
% of Available Capital					

* Includes repayment of bonds payable for TBC lease

** Due to accrual reversal

s.18(a)
s.18(b)

2010/2011 Capital Budget Overview as at June 30, 2010 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

s.18(a)
s.18(b)

CAPITAL INVESTMENT PLAN
Board of Directors Projects > $5 million (in 000's)
Forecasted Expenditures to Project Completion (including relayed operating expenditures)

PROJECTS APPROVED								
Projects	Component	Original Budget Approved by Board Resolution	Latest Approval Date	Project Closing Forecast/ Actual Date	Total Budget Approved by BOD Resolution	Budget Released	Total Forecasted Expenditures	Total Forecasted Surplus/ (Deficit)

s.18(a)
s.18(b)

CAPITAL INVESTMENT PLAN
Board of Directors Approved Projects > $5 million - Notes
Forecasted Expenditures to Project Completion

Note 1

Note 2

Note 3

Board approved projects with forecasted deficits as at June 30, 2010

('000$)

Projects	Component	Original Budget Approved by Board Resolution	Total Budget Approved by BOD Resolution	Other sources of funds	Budget Released	Total Forecasted Expenditures as at June 30, 2010	Total Forecasted Surplus/ (Deficit), including other sources of funds	Supplemental Funds Required
							-	
							-	
							-	
Total ≤ $2.0M		0	0	**0**	0	**-**	-	-

At its meeting in September 2009, the Board of Directors approved a new practice for governance and monitoring of variances on Board approved projects. The new practice permits Management to continue activity on Board approved projects with small projected deficits, where the individual project deficits are ≤ 10% and ≤ $1.5 million, and the total of all small projected deficits does not exceed $2 million on all active projects.

As of June 30, 2010, there are no projects with deficits that exceed the total budget approved by resolution of the Board of Directors.

Audit Committee

September 15, 2010

Subject matter

Risk Management Update

Background

The Annual Risk Management report was presented and approved at the Audit Committee meeting on March 10, 2010.

The Audit Committee requested regular updates on the management of CBC/Radio-Canada's key risks and these updates are now presented on a quarterly basis. Modifications made to the first three columns of the report since the The Annual Risk Management Report are in blue font.

Information on the matter

This report is an update at August 17, 2010.

For decision ☐ **For information** ■

Prepared by

Name: Suzanne Morris
date: August 23, 2010

Management recommendation

N/A

Last discussed at the Board

Date: June 21, 2010
Decision made: N/A

Next steps

CBC Radio-Canada

Risk Management Report

Report to the
CBC/Radio-Canada
Audit Committee

Suzanne Morris/Michael Mooney
September 15, 2010

CONFIDENTIAL

s.18(a) s.21(1)(b)
s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

LEGEND

Risk Trend: Decreasing Stable Increasing • No change to status

s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.21(1)(b) s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.21(1)(b)

s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.21(1)(b)

s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.21(1)(b)

s.18(b)
s.20(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(a)
s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(a)
s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)
s.21(1)(b) s.68.1

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.68.1

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend
				s.18(b) s.19(1) s.20(1)(b)

s.18(b) s.21(1)(b)
s.20(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Aug. 17, 2010	Risk Trend

DRAFT

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
August 5, 2010

PRESENT:

Mr. Timothy W. Casgrain	Chair
Mr. Hubert T. Lacroix	President and CEO
Ms. Linda Black	
Mr. Edward Boyd	
Mr. Peter Charbonneau	
Ms. Patricia McIver	
Mr. Brian Mitchell	
Ms. Edna Turpin	

REGRETS:

Mr. George Cooper
Mr. Rémi Racine
Mr. John Young

ALSO ATTENDING:

Ms. Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Ms. Katya Laviolette, Vice-President, People and Culture
Mr. Bill Chambers, Vice-President, Branding, Communications and Corporate Affairs
Ms. Meg Angevine, Compliance Officer and Associate Corporate Secretary
Ms. Francine Letourneau, Chief of Staff, Office of the President and CEO

DRAFT

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
August 5, 2010

At the request of the Chair of the Board, the President and CEO acted as Chair of the meeting. The President and CEO called the meeting to order at 6:00 p.m. (EDT) and thanked Directors for their participation.

– ENGLISH SERVICES s.21(1)(a)

s.21(1)(b)

and outlined the plans in place to ensure the effective on-going management of English Services pending the search for the replacement for the Executive Vice-President, English Services.

Mr. Lacroix then described the proposed departure arrangements for the Executive Vice-President, English Services, confirming that terms of the package were in accordance with the contract made with the executive at the time of his hiring.

The President and CEO informed the Board that he had appointed Kirstine Stewart, General Manager, CBC Television, as acting head of English Services and that a search would commence immediately to recruit new leadership, with the assistance of the executive search firm Egon Zehnder International.

s.21(1)(a)
s.21(1)(b)

CONCLUDE

There being no further business, the meeting concluded at 6:35 p.m.

DRAFT

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
July 30, 2010

PRESENT:

Mr. Timothy W. Casgrain	Chair
Mr. Hubert T. Lacroix	President and CEO
Ms. Linda Black	
Mr. Edward Boyd	
Mr. Peter Charbonneau	
Mr. George Cooper	
Ms. Patricia McIver	
Mr. Brian Mitchell	
Ms. Edna Turpin	
Mr. John Young	

REGRETS:

Mr. Rémi Racine

ALSO ATTENDING:

Mr. Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships
Ms. Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Ms. Meg Angevine, Compliance Officer and Associate Corporate Secretary
Ms. Francine Letourneau, Chief of Staff, Office of the President and CEO

DRAFT

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
July 30, 2010

At the request of the Chair of the Board, the President and CEO acted as Chair of the meeting. The President and CEO called the meeting to order at 1:00 p.m. (EDT) and thanked Directors for their participation.

s.18(b)

s.20(1)(b)

s.21(1)(a)

s.21(1)(b)

On a motion duly moved and seconded,

s.18(b)
s.19(1)

s.20(1)(b)

MOTION CARRIED (with one abstention by who had previously disclosed the fact that is employed by the firm selected, but would have no involvement in this consulting assignment) s.21(1)(a) s.21(1)(b)

CONCLUDE

There being no further business, the meeting concluded at 1:25 p.m.

DRAFT

376th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
June 22-23, 2010

Mr. Hubert T. Lacroix	Acting Chair, President and CEO
Ms. Linda Black	
Mr. Edward Boyd	
Mr. Peter Charbonneau	
Mr. George Cooper	
Ms. Patricia McIver	
Mr. Brian Mitchell	
Mr. Rémi Racine (for June 23 only)	
Ms. Edna Turpin	
Mr. John F. Young	

REGRETS:

Mr. Timothy W. Casgrain

ALSO ATTENDING:

Ms. Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Ms. Meg Angevine, Compliance Officer and Associate Corporate Secretary
Ms. Francine Letourneau, Chief of Staff, Office of the President and CEO

Other participants as identified in the minutes.

376th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
June 22-23, 2010

In the absence of the Chair of the Board, the President and CEO acted as Chair of the meeting and called the meeting to order at 9:30 a.m. Mr. Lacroix welcomed Ted Boyd, the newly appointed Board member from Toronto, Ontario, to his first Board meeting.

IN CAMERA WITH THE PRESIDENT AND CEO

The Board met in camera with the President and CEO to discuss several topics. No matters were reported to the Corporate Secretary for inclusion in the minutes.

APPROVAL OF THE MINUTES

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** the minutes of the May 11-12, 2010 meeting be and are hereby approved as presented.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters to report. s.20(1)(b)

s.19(1)

STRATEGIC PLANNING COMMITTEE REPORT

Richard Stursberg, Executive Vice-President, English Services, Sylvain Lafrance, Executive Vice-President, French Services, Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships, Bill Chambers, Vice-President, Branding, Communications and Corporate Affairs, and Suzanne Morris, Vice-President and Chief Financial Officer, joined the meeting, as did the following representatives from Bain and Company:

Peter Charbonneau, Chair of the Committee, introduced the report and at the request of the President and CEO, agreed to chair the meeting for the presentation and discussion of the report.

Mr. Charbonneau reiterated the Board's role vis-a-vis the report; namely, to raise questions and challenge management's proposals with the goal of bringing greater clarity and definition to the areas under discussion. He added that work on developing the costs associated with the components of the strategy had already begun, to meet a target date of September for presenting a fully costed strategy to the Board.

Mr. Lacroix noted that while the overall long-term strategy was beginning to emerge, more work remained to be done to define a comprehensive strategy for the future.

Michel Tremblay outlined the plan for the discussion, indicating that it would focus on four topics: (i) mission statement; (ii) program genre priorities; (iii) regional strategy; and (iv) platform strategy.

Bill Chambers summarized the latest findings with respect to the research conducted on the language of the mission statement. Following his remarks, the Board considered and debated at some length several proposed refinements to the language of the mission statement.

Francine Letourneau and Laura Beaudin reviewed the latest enhancements to the mission metrics, elaborating on the rationale for the changes in weighting introduced for the various guiding principles in the measurement process. The balance between “output” measures and “perception” measures was discussed, and several examples of how the metrics would work in practice were presented to illustrate the results of the process. The President and CEO noted that the metrics would continue to evolve over time as necessary to keep pace with changes in the service offering and in the market.

Sylvain Lafrance and Richard Stursberg presented highlights of the material distributed on programming genre priorities, outlining the proposals for each programming genre within French and English Services. In the ensuing discussion, Mr. Lafrance and Mr. Stursberg responded to questions and comments from Directors on: (i) the differences between the French and English markets; (ii) resource allocation amongst the various programming genres; (iii) the nature of programming encompassed by the genre “Event Programming”; (iv) the respective roles of sports, Canadian culture, documentaries, current affairs and news in the overall strategy; (v) the economics of producing Canadian programming; and (vi) the strategic focus for radio programming.

The President and CEO then outlined the factors shaping the regional strategy, noting in particular, its critical importance in light of the role and mandate of CBC/Radio-Canada. Michel Tremblay reviewed briefly the competitive position of the Corporation in various markets, and provided comparative data on the costs of delivery for local/regional programming. He then described the key elements of the strategy to enhance the regional presence of CBC/Radio-Canada.

Mr. Lafrance and Mr. Stursberg elaborated on the specific concepts and models for achieving the strategic goals in a cost-effective manner, including partnership opportunities and other joint ventures.

The Board explored and debated a number of issues arising from this discussion, among them, the role of geography and the use of demographic data in the regional strategy.

At the conclusion of the discussion, the Board expressed its support in principle for the goals and approach articulated with respect to the programming genre priorities and the regional strategy.

IN CAMERA

The Board met in camera to discuss certain matters. No matters were reported to the Corporate Secretary for inclusion in the minutes.

ADJOURN

The meeting adjourned at 5:30 p.m. on June 22, 2010.

The meeting resumed at 9:00 a.m. on June 23, 2010.

AUDIT COMMITTEE REPORT

Suzanne Morris, Vice-President and Chief Financial Officer, joined the meeting.

Peter Charbonneau, Chair of the Committee, presented the report.

CFO Report
Suzanne Morris presented her report to the Committee, focusing on the following: (i) operating results as at March 31, 2010, on a budgetary basis together with the year-end results on a GAAP basis; (ii) the 2009-2010 results – external financial reporting; (iii) enhancements included in the Corporation's MD&A reporting for the Annual Report as well as those planned for the 2010-2011 year in preparation for the new quarterly reporting requirements; (iv) IFRS Conversion and Quarterly Public Reporting; (v) recent economic highlights; and (vi) a status update with respect to progress to date on key 2010-2011 Finance priorities.

2009-2010 Financial Statements and Management Discussion and Analysis Section of the Annual Report
Both the Audit Committee and the Board were briefed on the key transactions, highlights, and other significant elements of the annual financial statements for the 2009-2010 year. Copies of the statements and accompanying notes, together with the Management Discussion and Analysis section of the Annual Report, and a high-level summary document, were distributed to all Directors in advance.

In addition, Directors asked questions and provided input with respect to the Management Discussion and Analysis section of the Annual Report.

External Audit Report
A copy of the complete report of the Office of the Auditor General (the "OAG") on the 2009-2010 audit results was provided to all Directors before the meeting. The Assistant Auditor General, John Rossetti, attended the Audit Committee meeting in person and confirmed that the OAG would provide an unqualified opinion on the 2009-2010 consolidated financial statements. Mr. Rossetti and his staff expressed a high degree of satisfaction with the progress and overall results of the audit and commended the CBC/Radio-Canada Finance Group for its excellent work, and for its dynamic and helpful approach.

Approval of the Financial Statements and Approval of the Management Discussion and Analysis Section of the Annual Report
After consideration, the Board adopted the recommendation of the Audit Committee to approve the annual financial statements and the Management Discussion and Analysis section of the Annual Report.

On motion duly made and seconded

> **IT IS RESOLVED THAT**, on the recommendation of the Audit Committee, the Board of Directors hereby approves the Consolidated Financial Statements of the Corporation, comprising the Consolidated Balance Sheet, Consolidated Statement of Operations, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flow, Consolidated Statement of Comprehensive Income (Loss) and Notes to the Consolidated Financial Statements as presented by management for the year ended March 31st 2010.

MOTION CARRIED

On motion duly made and seconded

> **IT IS RESOLVED THAT**, on the recommendation of the Audit Committee, the Board of Directors hereby approves the Management Discussion and Analysis section of the Annual Report as presented for the year ended March 31st 2010, as modified by the revisions necessary to reflect the input and guidance offered by the Audit Committee and the Board of Directors.

MOTION CARRIED

Audit Committee Terms of Reference
The Committee reviewed and recommended approval of certain changes to its Terms of Reference to align them with its new meeting schedule. The Board accepted the Committee's recommendation.

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee, the Board of Directors hereby approves the revised Terms of Reference of the Audit Committee as presented.

MOTION CARRIED

s.21(1)(b)

s.21(1)(a)

s.18(b)

MOTION CARRIED

Other Reports
The Committee also received the following reports: (i) Update on Federal Pension Reform Proposal; (ii) Update on Risk Management; (iii) Quarterly Financial Management Report; (iv) Report on Litigation and Contingencies; (v) Quarterly Reporting Update; (vi) Update on the IFRS Conversion Project; and (vii) Quarterly Internal Audit Report.

STRATEGIC PLANNING COMMITTEE REPORT (CONTINUED)

Richard Stursberg, Executive Vice-President, English Services, Sylvain Lafrance, Executive Vice-President, French Services, Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships, Bill Chambers, Vice-President, Branding, Communications and Corporate Affairs, and Francine Letourneau, Chief of Staff, Office of the President and CEO, joined the meeting, along with the following representatives from Bain and Company:

s.19(1)

Peter Charbonneau assumed the chair for this portion of the meeting and discussion of the Strategic Planning Committee Report continued.

The President and CEO reported that the Board had expressed considerable support for the report during the in camera session held at the close of the preceding day. He also advised that management would undertake further work with respect to incorporating key elements of the statutory mandate in the mission and guiding principles.

The Board then focused on the platform strategy and Michel Tremblay, Richard Stursberg and Sylvain Lafrance articulated the key concepts and approach of the proposed multi-platform strategy, referencing the material distributed in advance.

During the Board's discussion, management responded to questions on: (i) the linkage between the programming genres and the platform strategy; (ii) the specific advantages of developing/growing certain platforms; (iii) the partnership and investment opportunities; (iv) rights acquisition strategies and the associated costs; and (v) proposals to enhance access through new devices, thereby improving market penetration.

The Board concluded its lengthy discussion by indicating its support for the directions and strategies outlined, subject to the proposed revisions to the guiding principles, and it encouraged management to continue to pursue the path defined by the report.

The President and CEO briefly outlined the next steps in the process, touching upon: (i) the plan costing, (ii) the exploration of cost efficiencies, revenue plans, and investments, and (iii) the development of internal and external communication plans.

Ms. Bertrand left the meeting.

UPDATE ON NEWS

Richard Stursberg and Sylvain Lafrance provided an overview of the latest developments with respect to news. Topics covered included: (i) local news initiatives in key markets; (ii) improvements in PPM results for the news network since the re-launch; (iii) the progress in transitioning *The National* from a news program to a context program; (iv) the impact of new media on viewer and listener habits; (v) plans for promotional activities; (vi) the importance of having both good stories and good people; and (vii) the integration of the news strategy with the regional strategy.

Management will present a further update on news at the September Board meeting.

s.19(1)

Mr. Stursberg, Mr. Lafrance, Mr. Tremblay, Mr. Chambers, Ms. Morris, Ms. Letourneau, withdrew from the meeting.

HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT

Katya Laviolette, Vice-President, People and Culture, joined the meeting.

Rémi Racine, Chair of the Committee, presented the report.

SCFP Negotiation Mandate
The Committee was briefed on the background to the existing agreement, the specifics of the proposed mandate, the influencing factors, the core issues and the strategy proposed. The details of the proposed negotiating mandate were reviewed and endorsed by the Committee for approval by the Board. The Board accepted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves a mandate for management to renegotiate the renewal of the collective agreement between Radio-Canada and SCFP, as outlined in the attached document, a copy of which shall remain filed with the original of these minutes as Exhibit 1.

MOTION CARRIED

Key Executive Long-Term Incentive Plan
The Committee considered and recommended approval of the overall structure and administration of the Key Executive Long-Term Incentive Plan. For the benefit of Board members, Ms. Laviolette summarized the objectives, structure and governance for the proposed plan and responded to questions from Directors on: (i) the necessity for such a plan; (ii) whether the amount of the incentive contemplated by the plan was sufficient to accomplish the stated goals; (iii) whether the intention was to continue to offer the plan indefinitely or for a specific time period only; and (iv) whether the plan would remain viable over the longer term. After discussion, the Board accepted the Committee's recommendation.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the overall structure and administration of the CBC/Radio-Canada Key Executive Long-Term Incentive Plan as presented.

MOTION CARRIED

HEALTH, SAFETY AND ENVIRONMENTAL REPORT

Michele Parent, Executive Director, Organizational Health and Wellness, joined the meeting.

Written material was circulated in advance of the meeting, covering the following topics:

Disability Management, Health and Safety, Health and Wellness

- Overview of absenteeism

- Major accomplishments
- Plans for the future

Environment
- Review of incidents
- Major accomplishments
- Plans for the future

Ms. Parent presented highlights of the material, referencing: (i) comparative statistics for absenteeism costs and occurrences, (ii) principal causes of absenteeism, (iii) statistics with respect to on-duty injuries, (iv) the success of the Corporation's H1N1 pandemic risk management plan, (v) improvements in disability management, and (vi) usage statistics for the employee assistance program ("EAP").

Ms. Parent also summarized the steps taken to improve employee environmental awareness and outlined activities related to other environmental initiatives at CBC/Radio-Canada.

During her presentation, Ms. Parent responded to questions from Directors on: (i) the utilization rate for the EAP compared to other organizations; (ii) extent of services offered and promotion of the EAP; (iii) interpretation of the absenteeism statistics; (iv) benchmarking undertaken with respect to quantum and causes of absenteeism; and (v) specifics of services provided under the EAP.

Ms. Laviolette and Ms. Parent withdrew from the meeting.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Edna Turpin, Chair of the Committee, presented the report.

President and CEO's Objectives – Relationship with Board
As a result of a referral from the May Board meeting, the Committee considered a proposal outlining four elements to support a positive and constructive relationship between the President and CEO and the Board: The Committee expressed its support for the proposal, subject to the proviso that, interspersed with the dinners/receptions outlined in the fourth element, the Board should continue to hold dinners from time to time with Board members only in attendance. The Committee recommended that Board approve the proposal as revised. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the proposal as amended.

MOTION CARRIED

Committee Membership
The list of proposed Committee appointments, as recommended by the Chair of the Board, was presented and the Committee recommended its approval. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the appointment of Members and Chairs of Board Committees as presented, to serve until the next annual meeting of the Corporation (June 2011) or until a review of Committee membership is conducted, whichever is sooner.

MOTION CARRIED

2010 and 2011 Calendars of Meetings
The Committee considered several proposed changes to the dates and locations of Board meetings for the balance of 2010 and for 2011. After discussion, the Committee recommended that two dates be changed as proposed and referred the remaining changes to the Board for consideration and decision.

Further discussion ensued at the Board meeting, following which the Board endorsed the changes recommended by the Committee and in addition, approved several other changes to the 2010 and 2011 Calendars of Meetings.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Calendars of Meetings for 2010 and 2011 as amended. A copy of the revised 2010 and 2011 Calendars, as approved by the Board, shall remain filed with the original of these minutes as Exhibit 2.

MOTION CARRIED

Policy re Board Members' Expenses
At the request of the Chair of the Board, the Committee considered what steps might be taken with respect to managing Directors' expenses as part of corporate-wide efforts to constrain costs. A brief memorandum was prepared for the Committee, describing the current policy and practices in place with respect to Board members' expenses and the recent restrictions adopted for senior executives of the Corporation. After discussion, the Committee recommended that the same restrictions applicable to senior executives be extended to Directors. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves that the same restrictions applicable to senior executives with respect to business class travel, use of “club floor” accommodation, and reimbursement of alcoholic beverage expenses be extended to Directors.

MOTION CARRIED

Electronic Board Books

The Committee was briefed on an initiative to transition to electronic board books. The rationale for pursuing the proposal was outlined, citing a number of objectives in support of the change. The Committee was advised that a pilot project involving a small group of Board members for design and testing purposes would proceed in the fall, with a view to extending the program to the entire Board once the pilot phase was successfully completed.

At the Board meeting, Directors indicated their support for the initiative.

CONCLUDE

There being no further business to discuss, the meeting concluded at 1:30 p.m.

Pages 106 to / à 107

are withheld pursuant to sections

sont retenues en vertu des articles

18(b), 21(1)(a), 21(1)(b)

of the Access to Information Act

de la Loi de l'accès à l'information

Schedule A

Nominating and Governance Committee
Board of Directors

September 21, 2010

Subject matter

Individual Director Evaluation

Background

At the November 2009 Board meeting, the Board received and approved the 2009 Board Evaluation Report, which contained a number of recommendations, including one addressing the subject of individual Director evaluation.

Information on the matter

A memorandum is appended outlining several options for individual Director evaluation for the Committee's consideration, together with a recommendation from management. The Committee is asked to review the material and make a recommendation to the Board for approval.

For decision [X] **For information** [ ]

Prepared by

Name: Maryse Bertrand Date: September 1, 2010

Management recommendation

Adopt a self-assessment process for the **first** individual Director evaluation, with subsequent Director evaluations employing a process that combines both self-assessment and peer assessment

Last discussed at the Board

Date: November 2009 Decision made: 2009 Board Evaluation Report approved.

Next steps

Implement the individual Director evaluation process approved by the Board

Memorandum

To: **Nominating and Governance Committee**

From: **Maryse Bertrand**

Date: **September 1, 2010**

Re: **Individual Director Evaluation**

Background

At the November 2009 Board meeting, the Board received and approved the 2009 Board Evaluation Report, containing a number of recommendations for further action. One of these addressed the subject of individual Director evaluation and provided as follows:

> Recommendation 6 – Individual Director Evaluation
>
> The Board Chair and the Nominating and Governance Committee should consider extending the Board evaluation process to include the evaluation of individual Directors and make recommendations with respect to the process for consideration by the entire Board.

The purpose of this memorandum is to outline the options for individual Director evaluation and to seek the Committee's recommendation with respect to the selection of the process best suited to meet the needs of the Board at this time.

Options for the Committee's Consideration

Several different approaches to individual Director evaluation are possible, ranging from

(i) self-assessment – each Director prepares and submits his/her own self-assessment based upon a questionnaire; the resulting document is shared with the Chair, who then has a confidential meeting with each individual Director to discuss the assessment

(ii) peer assessment - each Director prepares and submits his/her own assessment of every other Director based upon a questionnaire; the results are compiled and shared with the Chair, who then has a confidential meeting with each individual Director to discuss the assessment

(iii) self-assessment combined with peer assessment – the combined results of the self-assessment and the peer assessment are shared with the Chair, who then has a confidential meeting with each individual Director to discuss the assessment

Each of these can be conducted either with the assistance of an external consultant or by utilizing internal resources only, with the consequential increase in costs, depending upon the nature and extent of the involvement of an external consultant. The consultant's role could encompass some combination of the following activities:

(i) provide advice with respect to the questionnaire and the process; (ii) collect and compile the responses; (iii) conduct confidential one-on-one interviews with Directors to discuss their responses and elicit further comments; (iv) provide analysis and advice to the Chair; and (v) develop recommendations and prepare the report to the Board.

It is widely recognized that the introduction of an individual Director evaluation process is best pursued in incremental steps. Some of the reasons are as follows:

- it provides an opportunity for Board members to become familiar with and gain confidence in the process, which is new and may, potentially, be intimidating for Board members
- it enables the Board as a whole to gain a better understanding of how the process can enhance its effectiveness by clarifying expectations about Board members' roles and responsibilities
- the process can be refined and adapted over time to respond to the specific needs of the Board

For many corporations, the first step is to utilize the self-assessment approach. This enables Directors to gain an appreciation for what is involved in the process, at a minimal cost (where it is conducted using internal resources only).

A draft questionnaire for use in the Director self-assessment process has been included for the Committee's consideration. This questionnaire could easily be adapted to suit any of the other options, if necessary.

Management Recommendation

After reviewing the options available, management recommends that the Board adopt the self-assessment approach for the **initial** individual Director evaluation, employing the questionnaire included with this memorandum. In the interests of minimizing the costs of the process, management recommends that the process be conducted using internal resources only. Management further recommends that the Board adopt, for future evaluations, a process that combines both self-evaluation and peer evaluation.

Management proposes that the individual Director evaluation be conducted as part of the next Board evaluation, scheduled to begin in January 2011. The specific milestones are as follows:

September 2010	Questionnaire (Part 2) for Individual Director Evaluation approved by the Board
January 2011	Questionnaire (Part 1) for Board Evaluation reviewed and approved by the Board
January 2011	Board Evaluation Process commences immediately following the Board meeting
February 15, 2011	Responses to questionnaire due from Directors
February/March	Individual interviews with the Chair
May 2011	Report on 2011 Board Evaluation presented to the Board

Background Information

As background information for the Committee's consideration, copies of the following documents are appended to this memorandum:

(i) Crown Corporation Guidance – Assessing Board Effectiveness (prepared by Treasury Board of Canada Secretariat)

(ii) Individual Director Evaluations: The next step in Boardroom effectiveness by Jay A. Conger and Edward Lawlor III (Ivey Business Journal)

Questions for the Committee

1. Does the Committee agree with management's recommendation to adopt the self-assessment approach for the **initial** evaluation, with subsequent evaluations to be conducted using the combination of a self-assessment approach and a peer assessment approach?

2. If not, what approach does the Committee recommend that the Board adopt for individual Director evaluation?

3. Does the Committee agree with management's recommendation to utilize internal resources only for the individual Director evaluation process or would the Committee recommend that an external consultant be retained to assist with the process?

Questionnaire – Individual Director Self-Assessment

To assist Directors in completing the questionnaire, the questions have been grouped into four sections as follows: Section A – Experience and Knowledge; Section B – Understanding of Role and Responsibilities; Section C – Engagement; and Section D – Independence/Effectiveness.

Please circle the response that **best** reflects your opinion. The rating scale for each statement is:

Strongly Disagree (1); Disagree (2); Maybe/Not Sure (3); Agree (4); Strongly Agree (5)

Section A - Experience and Knowledge		Strongly Disagree	Disagree	Maybe/ Not Sure	Agree	Strongly Agree
1.	I have a good understanding of CBC/Radio-Canada's mandate, strategic plan and key issues.	1	2	3	4	5
2.	I have a good understanding of the industry and competitive environment within which CBC/Radio-Canada operates.	1	2	3	4	5
3.	I am familiar with the statutes and by-laws governing CBC/Radio-Canada's role as a Crown corporation.	1	2	3	4	5
4.	I feel that I have the knowledge/skills/expertise to enable me to provide a valuable contribution to the Board.	1	2	3	4	5
5.	I am financially literate and able to understand the Corporation's financial information.	1	2	3	4	5
Section B – Understanding of Role and Responsibilities		**Strongly Disagree**	**Disagree**	**Maybe/ Not Sure**	**Agree**	**Strongly Agree**
6.	I have a good understanding of what is expected of me as a Director.	1	2	3	4	5
7.	I have a good understanding of where my role as a Director ends and the role of the President and CEO begins.	1	2	3	4	5
8.	I maintain the confidentiality of strategic and business information and of all the Board's deliberations and decisions.	1	2	3	4	5
9.	I support Board decisions once they are made even if I do not agree with them.	1	2	3	4	5
10.	I have a good understanding of the CBC/Radio-Canada Code of Conduct and Conflict of Interest Guidelines for Directors and I strive to conduct myself accordingly.	1	2	3	4	5

Section C – Engagement		Strongly Disagree	Disagree	Maybe/ Not Sure	Agree	Strongly Agree
11.	I am encouraged by other Board members to express my views/opinions at Board meetings.	1	2	3	4	5
12.	I encourage other Board members to express their views/opinions at Board meetings.	1	2	3	4	5
13.	I have a good knowledge of the responsibilities of CBC/Radio-Canada's management team and am able to consult with the Chair, the President and CEO, or other members of the senior executive team as required.	1	2	3	4	5
14.	I have a good record of attendance at meetings.	1	2	3	4	5
15.	I devote sufficient time and attention to fulfill my responsibilities as a Director of CBC/Radio-Canada.	1	2	3	4	5
16.	I stay informed about issues relevant to the mission of CBC/Radio-Canada and bring information to the attention of the Board.	1	2	3	4	5
17.	I promote the work of CBC/Radio-Canada in the community and with stakeholders whenever I have the chance to do so.	1	2	3	4	5
Section D – Independence/Effectiveness		Strongly Disagree	Disagree	Maybe/ Not Sure	Agree	Strongly Agree
18.	When I have a different view/opinion than the majority, I raise it.	1	2	3	4	5
19.	I read the minutes, reports and other materials in advance of the Board meetings.	1	2	3	4	5
20.	I ask questions and request additional information if necessary.	1	2	3	4	5
21.	I am satisfied with my performance on the Board Committees of which I am a member.	1	2	3	4	5
22.	I raise all questions of importance in relation to Board matters at the Board meeting, either in the regular meeting or during the in camera session.	1	2	3	4	5
23.	I make a positive contribution to assist the Board in resolving divergent views if they occur.	1	2	3	4	5
24.	My personal values and ethics are congruent with those of the Board and the Corporation.	1	2	3	4	5
25.	I am satisfied with my performance as a member of the CBC/Radio-Canada Board of Directors.	1	2	3	4	5

My overall rating

Excellent (112+)	☐	**Very Good (100-111)**	☐
Good (87-99)	☐	**Fair (75-86)**	☐
Poor (less than 75)	☐		

Additional Comments

Directors are strongly encouraged to include additional comments in the space provided below

Crown Corporation Guidance - Assessing Board Effectiveness

Executive Summary: Assessing Board Effectiveness

Crown corporations are encouraged to ensure regular assessment of their boards and board members.

For a corporation to be successful and to ensure its board of directors has sufficient capacity/skills to provide necessary strategic guidance, boards of directors should be regularly evaluated. An effective board of directors ensures that the corporation meets all of its professional expectations, including maintaining its relationship with the responsible Minister and ensuring successful corporation management. Regular assessment of boards helps to ensure that the standards of the board are maintained and the corporation is capable of ensuring long-term viability and credibility.

Board members can be assessed on their knowledge base, ability, and commitment to fulfilling their responsibilities. This includes a solid understanding of their responsibilities under all relevant legislation, the expectations of the Government of Canada, and the environment in which the corporation functions. As well, board members can be assessed on the fulfillment of their responsibilities for the stewardship of the corporation and on whether they act in the best interests of the corporation and promote the highest standards of corporate governance.

Best practices suggests that a board assessment process should have four elements. First, the commitment of all individual directors to participate ensures there is a shared understanding and acceptance of the benefits of the evaluation. Secondly, a well thought-out systematic process ensures that there is a clear timeline and useful evaluation. Thirdly, specific, appropriately-chosen instruments ensure that the resulting information is valid, and the evaluation is efficient and accurate. Finally, follow-up after the assessment ensures that any identified areas of concern have been addressed and that evaluation information reaches the correct individuals.

The individual directors' evaluations are considered personal information. As such, access to the evaluation reports of individual directors should be limited to the respective directors and those with a legitimate need to know.

The nature of the assessment process for board of directors varies widely and Crown corporations should choose the most appropriate methodology to suit their operations. A best practice is to have the Chair of the board choose the assessment process, with the support of the other board members. Utilizing a mixture of different assessment processes or varying them on a regular basis, is likely to provide a more detailed and accurate view of how well the board is functioning.

1.0 Introduction

All parent Crown corporations and any wholly-owned subsidiaries that have been directed to report as if they were parent Crown corporations are encouraged to engage in a regular assessment program of the corporation's board and its members.

The purpose of this document is to provide an overview of the possible processes/methodologies for assessing the effectiveness of boards and individual directors of Crown corporations, as well as providing a list of possible instruments that could be used for this purpose.

2.0 Background

Assessment is a general term that embraces all methods used to judge the performance of an individual, group or organization. An assessment process may be undertaken by an organization for many reasons, including for developmental purposes or as a method for determining monetary compensation for individual employees.

A well-managed regular assessment[1] program of a Crown corporation board and its members is a good corporate governance practice, in that it enables identification of areas for improvement and can thus be used as a development tool. A regular assessment process ensures the board and its individual directors examine existing structures and processes, identifying successful practices to be retained and providing the opportunity for discussion about areas for ongoing improvement.

The *Review of the Governance Framework for Canada's Crown Corporations* measure #12 outlines the aspiration that federal Crown corporations will establish and implement a regular process for assessing boards of directors and individual directors:

> Measure #12 of the *Review of the Governance Framework for Canada's Crown Corporations - Meeting the Expectations of Canadians* states:
>
> **Measure # 12:** Consistent with good governance practices, the government will ask boards of directors to establish regular assessments of their effectiveness and the contribution of individual directors as a self-development tool. The assessment of the board as a whole will be communicated by the Chair of the board to the appropriate Minister.

Date Modified: 2008-12-29

Crown Corporation Guidance - Assessing Board Effectiveness

3.0 Characteristics of Effective Boards of Directors

Effective Crown corporation boards and member directors exhibit the following characteristics:

Board Composition:

- Comprised of individuals with the necessary knowledge, ability and commitment to fulfill their responsibilities.

Knowledgeable About:

- The corporation and its business, strategic plans and operations;
- General structures and processes of the Government of Canada;
- Responsibilities under law, in particular, the *Financial Administration Act* (FAA)[2] and the corporation's constituent statute;
- Expectations of the government;
- Best practices in the organization and management of Boards;
- The Crown corporation's Code of Conduct and the *Conflict of Interest Act*; and
- Issues that may affect the corporation, including its sector of operations, clientele, market, public environment, competitors.

Responsibilities Fulfilled:

- Comply with applicable legislation, Part X of the FAA, any regulations issued pursuant to Part X of the FAA, the Crown corporation's charter, the by-laws and any directive given to the Crown corporation[3];
- Where applicable, comply with the Crown corporation's enabling statute or any other specific statutes relevant to the corporation;
- Keep abreast of the Crown corporation's public policy objectives and their impact on the corporation;
- Ensure independence from management is maintained;
- Ensure adequate training and education is sought out;
- Ensure the highest ethical standards of integrity and probity are upheld;
- Ensure a high level of personal integrity in all dealings with, and on behalf of, the corporation, including ongoing responsibility to disclose conflict of interest;
- Accountable to the responsible Minister for the stewardship of the corporation; and
- Support effective relationships with the responsible Minister and his/her portfolio department.

Conduct:

- Act honestly and in good faith with a view to the best interests of the Crown corporation;
- Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- Promote the highest standards of corporate governance and seek compliance with the provisions of the Code (of conduct) whenever possible.

Instruments chosen to undertake an assessment of the effectiveness of boards and individual directors should capture to what extent the board and its members meet or exceed the above characteristics.

In addition, board assessment processes also offer the opportunity to gauge board satisfaction with the operation of the board (e.g., number of meetings, discussions, quality of equipment, attendance, interactions with senior management etc).

4.0 Essential Elements of a Board Assessment Process

Best practice for the effective assessment of boards and individual directors includes four important elements:

Commitment on the part of individual directors to participate

A thorough assessment process requires time and directors are busy individuals. For an assessment to be more than an act of checking boxes, it is important to have a commitment on the part of individual directors to actively and objectively participate throughout the process. It is a best practice for the chair of the board to hold a round table discussion with directors before initiating the assessment process, to ensure there is a shared understanding and acceptance of the potential benefits of either (or both) the board and individual director assessments.

A well thought-out, systemic process

To be useful as a means for board improvement, an assessment process takes careful planning. Assessors need to establish a clear timeline for assessment and ensure participants are aware of and understand the steps in which they will participate. The assessment process can also provide an opportunity for board members to express their level of satisfaction with the operation of the board (e.g. number of meetings, equipment utilized, attendance, communications and interactions with senior management).

A few basic dimensions to be considered when planning a process for assessing the effectiveness of boards and individual directors are: internal versus external assessment; qualitative versus quantitative assessment measures; and peer versus self-assessment (see Annexes for details). Assessment instruments can be utilized in isolation or combined for a wider evaluation scope and a more fulsome evaluation.

Many private sector organizations make use of an Assessment Committee that is given the mandate and responsibility to plan and implement the assessment process. Such a committee helps to ensure: directors understand and are committed to the assessment process; a well thought-out, systemic process is in place; each assessment phase is completed; peer-assessment results are compiled anonymously and disseminated to individual directors; a follow-up process is initiated; and actions are undertaken to address any areas needing improvement.

Due to the small size of many Crown corporation boards, utilizing a committee composed of board members to direct the assessment process could potentially result in confidentiality issues. Without careful planning, committee members could come into contact with assessment information focused specifically on individual directors. Confidentiality issues can be avoided through establishing processes that allow for the anonymous compilation and dissemination of peer and individual assessment results. The Chair of the board is often given the role of compiling peer and individual assessment results and disseminating them to individual board members. In addition, Crown corporations can also utilize an external consultant to compile individual and peer results, or an online survey application that allows for the anonymous submission of assessment materials.

Specific, appropriately-chosen instruments

Careful choice and design of assessment instruments will be important in ensuring the resulting information is valid for assessing and enhancing board effectiveness. The instruments chosen should provide adequate opportunity to judge the strengths and weaknesses of the board and its individual directors, without assessment becoming a burdensome process.

There are various types of instruments available for measuring the effectiveness of boards and individual directors and each has its advantages and disadvantages (see Annex B). Due to the varied nature of Crown corporations, assessment instruments may need to be tailored to adequately assess the effectiveness of the particular board and its directors.

Checklists and round table discussions of the board in general provide a good starting point for the assessment process by helping directors to re-examine the general structures, roles and responsibilities of the board and their own roles within it. Peer-assessments and self-assessments of individual directors can follow to provide the advantage of multiple viewpoints and a broader assessment scope.

For a list of instruments for assessing boards and individual directors please refer to Annex C.

Follow-up

Assessment plans normally also include a well-defined follow-up process as an ongoing means for appraising performance. An example of a basic follow-up procedure could be the repeat administration of an assessment tool to verify whether any identified areas of concern have been addressed.

An important part of the follow-up stage is ensuring the information garnered from the assessment process reaches the correct individuals. Results from peer-assessments, submitted anonymously to the assessment committee, chair or an external consultant, can be amalgamated for each individual, with directors each receiving a copy of the reports assessing them. The chair and/or the assessment committee can then retain a copy of each individual director's report to use as a development tool for helping plan future director training. The chair of the board is responsible for communicating the assessment of the board as a whole, to the appropriate Minister.

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IMPROVING THE PRACTICE OF MANAGEMENT

Individual director evaluations: The next step in boardroom effectiveness

By Jay A. Conger and Edward Lawlor III

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Individual director evaluations: The next step in boardroom effectiveness

Skeptics see little value in assessing the performance of individual directors. But these coauthors, experts in leadership and governance, say that correctly carried out, evaluations are highly valuable and provide a mechanism for the board and the CEO to hold each other accountable for clearly defined performance expectations.

by Jay A. Conger and Edward Lawlor III

Jay A. Conger is a professor in the Department of Management and Executive Director of The Leadership Institute, Marshall School of Business, University of Southern California. Edward Lawlor III is Director of The Centre for Effective Organizations and Distinguished Professor of Business, Marshall School of Business. They are coauthors of *Corporate Boards: New Strategies for Adding Value* (Jossey-Bass, 2001).

This article was first published in the May/June 2002 Ivey Business Journal.

The quality of a board of directors is a significant factor for institutional investors, according to surveys by McKinsey & Company and Russell Reynolds. These investors want information on individual directors' track records and their contributions to the board. They also want to know where they stand on crucial boardroom issues, as well as careful assessments of board performance.

Over the last several years, we have studied a small group of companies that are leaders in boardroom evaluations. In this article, we describe what we have learned from these standard setters, and why we believe that well-managed appraisals can increase a board's effectiveness and accountability, and improve its relationship with the CEO.

Despite the potential benefits, our research shows that only 40 per cent of major North American companies conduct formal performance evaluations of their boards. Individual evaluations of directors are even less common and more controversial. Surveys by Korn/Ferry and the American Society of Corporate Secretaries indicate that only 15 per cent of Fortune 1000 companies appraise the performance of their individual board members, although it is common practice for boards to evaluate CEOs.

Obstacles to evaluations

The first obstacle to conducting an evaluation is opposition by board members themselves. There is simply a general reluctance among boards of directors and CEOs to evaluate high-profile board members. For example, how does one critically assess a peer without causing conflict and harming working relationships? And, is it reasonable to evaluate busy executives who participate on boards on a part-time basis? At the same time, these questions highlight the importance of constructive evaluations in improving the performance of both the individual director and the board itself.

CEOs and boards of directors worry that evaluating the performance of individual board members could drive away good candidates who feel they have already proven themselves. At a time when there is heavy competition to attract top directors, appraisals might deter good candidates. One CEO we interviewed reported that his board strongly resisted a director evaluation plan that he presented to it. Board members told him it "wasn't worth it" to be on his board if they had to go through an evaluation.

The question of who should actually evaluate the directors is also an obstacle. Board members are peers, and may be reluctant to critique a colleague's performance. They may also lack the information needed to make an accurate assessment because boards spend relatively little time together, and what occurs in meetings may not be the best gauge of a director's contribution. "Not every board member contributes actively and asks questions at board meetings," said one corporate secretary. "A lot of people are very quiet, but they are very effective. They operate in different ways. We've got a board member who hasn't said ten words at a board meeting, and yet one of the other directors said getting that guy on the board was a real home run. It's what goes on in sidebar conversations, at dinners, telephone calls between meetings, that may really matter." Indeed, some boards felt individual evaluations might even promote counterproductive behaviour: "I think it leads to the wrong kind of responses, encouraging individual board members to talk when there's no need for it," said one director.

To be effective, boardroom appraisals need specific, clearly defined steps and practices, and a special commitment from individual directors and the CEO.

Since each director brings a different set of competencies to the board, it can be difficult to establish criteria for assessing members. A universal set of criteria may overlook the different ways in which individual members contribute. Said one board member, "We have several directors who are very knowledgeable about the technology issues this company deals in. But they may not be at all, or nowhere near, expert in financial matters. And some of our directors have a strong financial background. With acquisition and takeover issues, they will play a much greater role than others. You have other directors who have a stronger background in personnel management and can deal more expertly with issues about employment benefit plans or diversity issues. Different directors contribute in different ways at different times. A uniform evaluation cannot capture these different contributions."

Finally, research on team effectiveness clearly supports the idea that when individuals such as board members are interdependent, it is more important to evaluate and reward the overall effectiveness of the group. Otherwise, individuals tend to optimize their individual performance rather than contribute to the team's effectiveness. The primary focus in appraisals should be on the performance of the board at the collective level rather than the individual level. The implications for reward systems are clear: Director pay should be tied to overall corporate performance through stock and bonus plans, not to individual performance.

The case for individual appraisals

Despite the lack of consensus on director evaluations, we believe that there is a need for some form of individual appraisal as part of the overall board evaluation process. A survey on corporate governance by executive recruiters Russell Reynolds in the late 1990s showed that investors feel strongly that boards need to be more aggressive in weeding out under-performing directors. The average size of boards is decreasing, and as a result both the demands and rewards for serving on boards are increasing. Companies today need more from directors than simply having them show up at meetings and ask questions. An individual assessment is a good way of making performance expectations clear and of actually improving director performance. Support for this view is provided by recent Korn-Ferry surveys of Fortune 1000 board members that show that in companies where individual directors are evaluated, directors rate the board's overall effectiveness more positively.

We have found that performance feedback can help individuals evaluate their own skills as directors and motivate them to be more effective contributors. Evaluations can also help directors assess their performance over time, as the needs of a board shift, and provide a basis for deciding whether a director should be reappointed. These evaluations demonstrate to investors that the board is holding individual directors accountable for their performance. In the absence of formal reviews, directors are all too often evaluated informally, in a hit-or-miss fashion that provides neither good feedback nor valid data.

Individual director evaluations are an important complement to the evaluation of a board's overall performance. Certain issues of effectiveness simply cannot be addressed without evaluating individuals, and one of the most important is membership. Board

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members are usually only replaced for performance reasons, and only in extreme circumstances (e.g., criminal misconduct, conflict of interest, active disruption, very poor attendance/participation record). When they are replaced, they are rarely given an early warning or a chance to improve. In most cases, boards wait for poorly performing directors to retire, or they choose not to re-nominate them when they reach a term or age limit. While it appears from our research that under-performing directors are relatively rare, it is sound practice to identify such individuals through a formal assessment process so that timely, corrective action can be initiated.

Board members are like any other human being. Although there is usually some anxiety associated with getting feedback, they realize it is necessary and helpful. For new directors, thoughtful, comprehensive appraisals are more effective than the feedback that takes place in a happenstance manner, and can help bring them "on-board."

Because self-assessments need to be balanced by assessments from others, we recommend that a board adopt a second step, a peer-assessment approach.

Conducting the evaluation

To be effective, boardroom appraisals need specific, clearly defined steps and practices, and a special commitment from individual directors and the CEO. This is necessary to overcome the hurdles and address the pitfalls that make performance appraisals one of every manager's least favourable activities. Without the right steps and commitments, everyone involved in the evaluation simply goes through the motions of asking a few questions or setting performance targets that are checked off every year.

The first step in making the appraisal effective is to overcome the discomfort that the evaluation process is likely to generate. The best approach is to have the CEO and the chair of the nominating or governance committee engage the board in a discussion of the potential advantages of the evaluation and the process. Once the board has committed itself to the formal appraisal process, the next step is to define the dimensions that should be evaluated.

Ideally, the nominating or governance committee designs a preliminary set of dimensions covering the essential responsibilities of an effective director. These should be behaviours that both the individual director and their peers can actually observe. The appraisal dimensions should then be presented to the full board and CEO for discussion and debate. Ideally, the final list should include a moderate number of behaviours, say 15 to 25. If there are not enough criteria, important dimensions may be overlooked. If there are too many, there will be little sense of which ones are the most important. It is best to use a short evaluation form with a simple rating system and space for more detailed written responses.

The assessment needs to recognize the distinctive set of competencies that each director brings to the boardroom. At the same time, there should be a set of general dimensions that describe what is expected from every effective director irrespective of his or her expertise.

These dimensions include:

Knowledge of the business: Does this director have an adequate understanding of the company's strategies, industries, markets, competitors, financials, operating issues, regulatory concerns, technology and general trends?

Knowledge of senior management: Does this director know the executive team's skills and abilities, and are they aware of succession issues? Do they have sufficient personal contact with the company's senior management beyond the CEO?

Initiative: Whenever appropriate, does this director take the initiative to obtain relevant information on boardroom issues? When absent from meetings, do they make sure they are brought up-to-date on discussions they have missed? Do they initiate contact with the board chair or committee chairs when appropriate?

Preparation: Do directors come fully prepared to meetings having read advance materials and completed pre-meeting assignments? Do they spend an appropriate amount of time learning about company issues to make informed decisions?

Time: Do directors attend a sufficient number of board and assigned committee meetings for consultation or special situations?

Judgment and candor: Is a director able to speak his mind constructively even if his views differ from others at a meeting? Is he an effective contributor to discussions? Does he offer innovative ideas and solutions?

Integrity: Is the director able to keep the information he receives confidential? Does he demonstrate objective, fair and ethical behaviour?

We recommend that boards take an incremental approach to implementing the evaluation process. The first step should be an exercise in self-assessment undertaken by the individual director, who does not share the results with any committee or other board members. The self-assessment is intended to provide a director with an opportunity to reflect on his or her performance and to prepare them for the next step in the evaluation process.

A self-assessment is not enough

Self-assessments, in and of themselves, are not enough. While quite helpful and non-threatening, self-assessments have some shortcomings. They offer only one perspective; others may see a director's performance quite differently. Individuals are often biased about their self-image. Some of us, for example, are particularly tough on ourselves, rarely giving ourselves an excellent rating even if we deserve it. Others see few flaws, or no flaws, in our own self.

Because self-assessments need to be balanced by assessments from others, we recommend that a board adopt a second step, a peer-assessment approach. Peers are usually very good at rating performance because one or more of them are likely to be able to observe most of the individual contributions to the group's performance. The following is a guide to the basic procedures that need to be included in a board's peer assessment.

Peer Assessment:

A trusted adviser or outsider collects the evaluations and summarizes the results. Each board member receives a summary of their peers' ratings and comments that assures the anonymity of all the respondents and follows the best practices of 360-degree feedback. The results of the first appraisal are given only to the director so that he or she will know how others regard them, and have an opportunity to change behaviours before others see the results. The results of the second appraisal-which are typically available a year later-should be provided to the non-executive members of the governance or nomination committee and the board chair, if a non-executive fills the role. If the board chair is also the CEO, knowledge of the appraisals could increase his or her power over the board to an undesirable level. In this case, a formal board evaluation of the CEO could help counterbalance his power, or else responsibility for the peer evaluations could be given to the independent directors or non-executive chair. A primary goal of providing appraisal results to the committee charged with director nominations is to identify under-performing directors. To ensure useful feedback, the board chair and committee chair must stress that candid, constructive feedback is part of the evaluation process.

In addition to the peer assessment, the board chairman, CEO and head of the board's nomination or governance committee should meet every year to assess each director on the same criteria as the peer assessment; the board secretary should keep a written record of the evaluations. The individual results should not be shared with other directors, but the chair of the nominating or governance committee should provide summary feedback to each director, highlighting specific strengths and weaknesses.

Formal board evaluations, like other recommended corporate governance practices, are no panacea. Companies can simply go through the motions to satisfy the investment community. As the chairman of one company that recently instituted board and individual evaluations admitted: "I don't think it's important. It's important to others, but it's not important for good corporate governance. It's just that there are surveys [best practice surveys of corporate governance]... and we wanted to have the evaluations on our checklist." Such attitudes are not likely to enhance boardroom performance, nor are they likely to be acceptable as greater pressure is placed on boards to perform. Evaluations of the CEO, board and board members need to be done correctly so that they create a positive dynamic for the CEO-board relationship. Correctly carried out, they also provide a means for the board and the CEO to hold each other accountable for clearly defined performance expectations, and ensure that both parties always remain focused on their respective responsibilities.

Schedule A

Nominating and Governance Committee
Board of Directors

September 21, 2010

Subject matter

Director Compensation

Background

At the June 2010 Board meeting, it was proposed that the current regime for Director Compensation should be reviewed to determine whether any changes are appropriate at the present time.

Information on the matter

A memorandum. is appended to brief the Committee on the changes in recent years to the Board compensation regime at CBC/Radio-Canada and to outline the options and process involved should the Committee decide to recommend further changes. The Committee is asked to review the memorandum and consider whether it should recommend any action at this time.

For decision	**X**	**For information**	

Prepared by

Name: Maryse Bertrand Date: September 1, 2010

Management recommendation

N/A

Last discussed at the Board

Date: March 2006 Decision made: Revised Compensation By-Law approved

Next steps

Submit the Committee's recommendation to Board for approval, if required

Pages 127 to / à 133

are withheld pursuant to sections

sont retenues en vertu des articles

18(a), 18(b), 23

of the Access to Information Act

de la Loi de l'accès à l'information

DIRECTOR COMPENSATION

1) The fees set out in this schedule apply to Governor-in-Council part-time appointees.

2) Subject to section 3, each Director shall be paid a fee of

a) $2000.00 per day for attendance at each regularly scheduled Board meeting (to a maximum of six in any fiscal year), and $625.00 per day for attendance at any additional Board meetings;

b) $1300.00 per day ($1550.00 for the Committee Chair) for attendance at any regularly scheduled Audit Committee meeting (scheduled independently from the board meetings and to a maximum of six in any fiscal year) and $625.00 per day for attendance at any additional Audit Committee meetings scheduled independently from the Board meeting;

c) $1000.00 per day ($1250.00 for the Committee Chair) for attendance at any regularly scheduled Committee meeting other than the Audit Committee (to a maximum of four days in any fiscal year) and $625.00 per day for attendance at any additional Committee meetings;

3) A Director is entitled to be paid only one meeting fee for each day (24 hour period), even if the Director attends more than one meeting during that day.

4) Each Director shall be paid a fee of $250.00 each time he or she participates in a meeting by means of telephone or other communication facility as authorized by Section 50(3) of the Broadcasting Act, provided that if a meeting in which he or she so participates is a regularly scheduled meeting of the Board at which other Directors are personally present, the Director shall be paid a fee of $625.00 per day or $312.50 per half day while he or she so participates.

5) Each Director shall be paid out-of-pocket expenses each time that he/she is required by the Corporation to be its representative at a social or other function.

6) Each Director shall be paid either a per diem at the approved CBC daily allowance rate to cover incidental expenses incurred while attending a meeting of the Board, one of its committees, or otherwise engaged on the business of the Corporation; or the actual reasonable expenses incurred.

7) Each Director shall be reimbursed for all transportation costs (including travel costs to and from an airport) while attending a meeting of the Board, its committees, or otherwise engaged on the business of the Corporation.

DIRECTOR COMPENSATION

8) The Chairperson is entitled to be paid reasonable travel and living expenses incurred by him/her while engaged on the business of the Corporation at any place other than his/her normal place of residence.

9) The President is entitled to be paid reasonable travel and living expenses incurred by him/her while engaged on the business of the Corporation at any place other than the Head Office of the Corporation.

10) Provided ministerial approval is granted, this by-law is effective March 15, 2006, the date it was approved by the Board.

Previous Revision: September 1, 2001
Current Revision: March 31, 2006
K:\CORPORATE SECRETARIAT-NEW\POLICIES AND PROCEDURES (101.245)\BOARD_MANUAL\Redesign\Section 2 Tab 3 Director Compensation.pub

Treasury Board of Canada Secretariat | Secrétariat du Conseil du Trésor du Canada | Canada

Advisory Committee on Senior Level Retention and Compensation

The Honourable Vic Toews, P.C., Q.C., M.P.
President of the Treasury Board
House of Commons
Ottawa, ON K1A 0A6

Dear Minister Toews:

In our Tenth Report of April 2008, we recommended changes to the compensation structure for Chief Executive Officers (CEOs) of Crown corporations. These changes have been implemented, and we believe that it is now important to address the issue of compensation for two other distinct groups: the Governor in Council (GIC) appointees of boards of directors of Crown corporations; and the GIC appointees of agencies, boards, and commissions. Neither group has had a remuneration update since 2000. Given the clear need for strong corporate governance, the Government must offer reasonable compensation to attract qualified candidates to serve on the boards of these federal entities.

We recommend that the remuneration framework be amended as follows:

- **for chairs and directors of Crown corporation boards of directors:**
  - introduce a compensation framework that is benchmarked against the Canadian public sector market;
  - reduce board compensation categories from ten to four and place the boards in the new categories based on groupings of organizations by industry type and size;
  - replace the current annual retainer ranges with single retainer rates per level;
  - replace per diem ranges with meeting fees consisting of a single rate payable for attendance at meetings. Any additional services would be compensated through the annual retainer; and
  - introduce a retainer premium for directors who are designated as committee chairs.

Boards of directors of federal Crown corporations should be grouped into four broad categories based on the type of corporation, size, complexity of operation, strategic importance to the country, and the degree of knowledge and specialized skills required. Fewer and broader categories recognize that all chairpersons and directors have the same basic skills sets, while acknowledging that those in larger Crowns assume greater risk in relation to today's high standard of corporate governance and oversight. The result is a compensation structure that offers a logical, transparent grouping of organizations into categories which have meaningful monetary distinctions between them.

- **for chairs and members of agencies, boards and commissions, we recommend maintaining the current four-level structure, and:**
  - replace per diem ranges with single rates in the existing remuneration structure; and
  - update the rates consistent with the proposed compensation for boards of directors.

The current and recommended remuneration is shown in Appendices Four and Five.

Since these rates have not been adjusted for eight years and have fallen well behind the comparator group, we would recommend immediate implementation. If this is not possible due to the *Expenditure Restraint Act*, we recommend implementation immediately after the constraint is lifted on April 1, 2011, or on the earliest possible date following the conclusion of the *Expenditure Restraint Act*, should the *Act* be extended.

While compensation is a key consideration in attracting and retaining qualified board members, ensuring that the individuals have the required training is also important. We recognize that the Government has expanded its efforts in this area and would encourage continued attention to this work.

In our Eleventh Report, we recommended salary range increases for senior levels in 2009-2010 that took into account the state of the economy. What follows are our recommendations for the subsequent year, 2010-2011. Consistent with the intent of the *Expenditure Restraint Act*, we recommend:

- effective April 1, 2010, a 1.5 per cent salary range increase for members of the EX and DM groups;
- effective April 1, 2010, a 1.5 per cent salary range increase for members of the GC and GC-Q groups; and

- effective at the beginning of each Crown corporation's fiscal year in 2010, a 1.5 per cent salary range increase for the CEOs of Crown corporations.

We further recommend that no change be made to pay at risk in 2010-2011.

The current and recommended salary ranges and applicable performance awards are shown in Appendix Six for the EX and DM groups; in Appendix Seven for the GC and GC-Q groups; and in Appendix Eight for the CEOs of Crown corporations.

I would be pleased to have the opportunity to discuss the Committee's views and recommendations with you.
Sincerely,

Carol Stephenson

Appendix One: Mandate of the Advisory Committee on Senior Level Retention and Compensation

To provide independent advice and recommendations to the President of the Treasury Board concerning executives, deputy ministers and other Governor in Council appointees of the federal Public Service and public sector on:

- developing a long-term strategy for the senior levels of the Public Service that will support the human resource management needs of the next decade,
- compensation strategies and principles, and
- overall management matters comprising among other things human resource policies and programs, terms and conditions of employment, classification and compensation issues including rates of pay, rewards and recognition.

To present recommendations in a report to the President of the Treasury Board. The report will be made public by the President of the Treasury Board.

Appendix Two: Members of the Advisory Committee on Senior Level Retention and Compensation

Carol M. Stephenson, B.A., (Committee Chair)
Dean, Richard Ivey School of Business, Ms. Stephenson, a widely respected CEO in the Canadian telecom industry, was appointed Dean of the Richard Ivey School of Business in July 2003. In 1999 she was appointed Chief Executive Officer of Lucent Technologies Canada. Prior to that, she was President and Chief Executive Officer of Stentor Resource Centre Inc., and Vice-President of Bell Canada.

Gaétan Lussier, O.C., B.Sc. (Agr.), M.Sc., Ph.D.
President, Gaétan Lussier and Associates, Mr. Lussier is a past Assistant Deputy Minister and Deputy Minister at the Quebec Ministry of Agriculture; and, federally, a past Deputy Minister of Agriculture Canada and past Deputy Minister and Chairman, Employment and Immigration Canada. Mr. Lussier was also President of the External Advisory Committee on Smart Regulation and is the founder of the Canadian Agri-Food Policy Institute (2004). Moreover, he was President of Boulangeries Weston Québec Ltd. and past President and Chief Executive Officer of Culinar Inc.

Patrick O'Callaghan, B.A., M.B.A.
President, Patrick O'Callaghan & Associates, Mr. O'Callaghan specializes in Board effectiveness and director recruitment in the public, private and not-for-profit sectors. Since 1992, Patrick O'Callaghan & Associates has provided Board governance advice to organizations in a wide range of industries throughout Canada, including assignments with federal and provincial crown corporations. Mr. O'Callaghan is a frequent speaker and seminar leader on corporate governance issues. He has first-hand experience as a director of public and private Canadian corporations and several not-for-profit organizations. Currently, Mr. O'Callaghan is a director of Women on Board™ and a member of the Directors Advisory Group of the Canadian Institute of Chartered Accountants.

Sarah E. Raiss, B.Sc., M.B.A.
Executive Vice President, Corporate Services of TransCanada Corporation, Ms. Raiss is responsible for human resources, information systems, aviation, real estate and corporate services at TransCanada Corporation. Prior to holding this position, she was President of S. E. Raiss Group, Inc.; Vice President of Customer Service, Training and IT Support at Ameritech; Senior Consultant at Metzler and Associates; as well as holding various positions in engineering and operations with Michigan Bell.

Raymond Royer, L.L.B., M.A.
Director and retired President and CEO, Domtar Inc., Before his appointment at Domtar, Mr. Royer was President and Chief Operating Officer at Bombardier. He is noted for his outstanding financial management and his ability to integrate acquired businesses through a management system that engages employees.

- for chairs and directors of Crown corporation boards of directors:
  - introduce a compensation framework that is benchmarked against the Canadian public sector market;
  - reduce board compensation categories from ten to four and place the boards into the new categories based on groupings of organizations by industry type and size;
  - replace the annual retainer ranges with single rates per level;
  - replace per diem ranges with meeting fees consisting of a single rate payable for attendance at meetings. Any additional services would be compensated through the annual retainer; and
  - introduce a retainer premium for directors who are designated as committee chairs.
- for chairs and members of agencies, board and commissions, maintain the current four-level structure, and:
  - replace per diem ranges with single rates in the existing remuneration structure; and
  - update the rates consistent with the proposed compensation for boards of directors.
- for senior levels:
  - effective April 1, 2010, a 1.5 per cent salary range increase for members of the EX and DM groups;
  - effective April 1, 2010, a 1.5 per cent salary range increase for members of the GC and GC-Q groups;
  - effective at the beginning of each Crown corporation's fiscal year in 2010, a 1.5 per cent salary range increase for CEOs of Crown corporations; and
  - no change to pay at risk in 2010-2011.

Appendix Four: Current and Recommended Remuneration for Chairs and Directors of Crown Corporation Boards of Directors

Group	Per Diem Ranges	Annual Retainer Ranges	
	Chairs & Directors	Chairs	Directors
1	$160 - $250	$5,100 - $6,000	$2,600 - $3,000
2	$220 - $260	$5,700 - $6,700	$2,900 - $3,400
3	$200 - $300	$6,400 - $7,500	$3,200 - $3,800
4	$275 - $325	$7,100 - $8,400	$3,600 - $4,200
5	$310 - $375	$8,000 - $9,400	$4,000 - $4,700
6	$360 - $420	$9,200 - $10,800	$4,600 - $5,400
7	$410 - $485	$10,500 - $12,400	$5,300 - $6,200
8	$470 - $555	$12,200 - $14,300	$6,100 - $7,200
9	$565 - $665	$14,500 - $17,100	$7,300 - $8,600
10	$680 - $800	$17,400 - $20,500	$8,800 - $10,300

B) Recommended:

Effective April 1, 2011*				
Level	**Chairperson Retainer**	**Director Retainer**	**Committee Chair Premium**	**Meeting Fee**
Level 1	$14,000	$7,000	$2,400	$500
Level 2	$20,000	$10,000	$3,400	$750
Level 3	$27,000	$13,500	$4,500	$750
Level 4	$35,000	$17,500	$5,900	$1,000

*Or effective on the earliest possible date following the conclusion of the *Expenditure Restraint Act*

Appendix Five: Current and Recommended Remuneration for Chairs and Members of Agencies, Boards and Commissions

A) Current:

Category	Executive		Advisory	
	Chair	Member	Chair	Member
I	$675 - $800	$475 - $550	$550 - $650	$375 - $450
II	$475 - $550	$350 - $400	$375 - $450	$275 - $325
III	$350 - $425	$250 - $300	$300 - $350	$200 - $250
IV	$300 - $350	$200 - $250	--	--

B) Recommended:

Effective April 1, 2011*				
	Executive		Advisory	
Level	Chairperson Per Diem	Member Per Diem	Chairperson Per Diem	Member Per Diem
Level 1	$1,000	$700	$850	$600
Level 2	$700	$500	$600	$400
Level 3	$550	$400	$450	$300
Level 4	$450	$300	--	--

*Or effective on the earliest possible date following the conclusion of the *Expenditure Restraint Act*

Appendix Six: Current and Recommended Cash Compensation for the EX and DM Groups

Current and Recommended Cash Compensation for the EX and DM Groups									
Level	Current 2008-2009			Recommended 2009-2010			Recommended 2010-2011		
	Salary Range Max.	Max. At Risk Pay	Max. Bonus	Salary Range Max.	Max. At Risk Pay	Max. Bonus	Salary Range Max.	Max. At Risk Pay	Max. Bonus
EX-1	$115,400	12.0%	3.0 %	$117,200	12.0%	3.0 %	$119,000	12.0%	3.0%
EX-2	$129,400	12.0%	3.0 %	$131,400	12.0%	3.0 %	$133,400	12.0%	3.0%
EX-3	$144,800	12.0%	3.0 %	$147,000	12.0%	3.0 %	$149,300	12.0%	3.0%
EX-4	$166,200	20.0%	6.0 %	$168,700	20.0%	6.0 %	$171,300	20.0%	6.0%
EX-5	$186,200	20.0%	6.0 %	$189,000	20.0%	6.0 %	$191,900	20.0%	6.0%
DM-1	$208,300	20.0%	6.0 %	$211,500	20.0%	6.0 %	$214,700	20.0%	6.0%
DM-2	$239,600	25.0%	8.0 %	$243,200	25.0%	8.0 %	$246,900	25.0%	8.0%
DM-3	$268,300	25.0%	8.0 %	$272,400	25.0%	8.0 %	$276,500	25.0%	8.0%
DM-4	$300,400	30.0%	9.0 %	$305,000	30.0%	9.0 %	$309,600	30.0%	9.0%

Appendix Seven: Current and Recommended Cash Compensation for the GC Group

Current and Recommended Cash Compensation for the GC Group									
Level	Current 2008-2009			Recommended 2009-2010			Recommended 2010-2011		
	Salary Range Max.	Max. At Risk Pay	Max. Bonus	Salary Range Max.	Max. At Risk Pay	Max. Bonus	Salary Range Max.	Max. At Risk Pay	Max. Bonus
Level 1	$79,900	10.6%	3.0 %	$81,100	10.6%	3.0 %	$82,400	10.6%	3.0 %
Level 2	$91,800	10.6%	3.0 %	$93,200	10.6%	3.0 %	$94,600	10.6%	3.0 %
Level 3	$105,900	10.6%	3.0 %	$107,500	10.6%	3.0 %	$109,200	10.6%	3.0 %
Level 4	$121,700	10.6%	3.0 %	$123,600	10.6%	3.0 %	$125,500	10.6%	3.0 %
Level 5	$140,000	10.6%	3.0 %	$142,100	10.6%	3.0 %	$144,300	10.6%	3.0 %
Level 6	$160,900	17.4%	6.0 %	$163,400	17.4%	6.0 %	$165,900	17.4%	6.0 %
Level 7	$185,100	17.4%	6.0 %	$187,900	17.4%	6.0 %	$190,800	17.4%	6.0 %
Level 8	$212,700	17.4%	6.0 %	$215,900	17.4%	6.0 %	$219,200	17.4%	6.0 %
Level 9	$244,600	17.4%	6.0 %	$248,300	17.4%	6.0 %	$252,100	17.4%	6.0 %
Level 10	$281,300	20.4%	8.0%	$285,600	20.4%	8.0%	$289,900	20.4%	8.0%

Appendix Seven (cont'd): Current and Recommended Cash Compensation for the GC-Q Group

Current and Recommended Cash Compensation for the GC-Q Group			
Level	Current 2008-2009	Recommended 2009-2010	Recommended 2010-2011
Level 1	$88,100	$89,500	$90,900
Level 2	$101,200	$102,800	$104,400
Level 3	$116,800	$118,600	$120,400
Level 4	$134,200	$136,300	$138,400
Level 5	$154,400	$156,800	$159,200
Level 6	$188,900	$191,800	$194,700
Level 7	$217,300	$220,600	$224,000
Level 8	$249,700	$253,500	$257,400
Level 9	$287,200	$291,600	$296,000
Level 10	$338,700	$343,800	$349,000

Appendix Eight: Current and Recommended Cash Compensation for CEOs of Crown Corporations

Current Cash Compensation for CEOs of Crown Corporations 2008		
Level	**Job Rates**	**Maximum Performance Award**
Group 1	$134,700	15.0 %
Group 2	$161,600	15.0 %
Group 3	$193,900	15.0 %
Group 4	$232,700	26.0 %
Group 5	$279,200	26.0 %
Group 6	$335,000	28.0 %
Group 7	$402,000	28.0 %
Group 8	$482,400	33.0 %

Recommended Cash Compensation for CEOs of Crown Corporations 2009		
Level	**Job Rates**	**Maximum Performance Award**
Group 1	$136,800	15.0 %
Group 2	$164,100	15.0 %
Group 3	$196,900	15.0 %
Group 4	$236,200	26.0 %
Group 5	$283,400	26.0 %
Group 6	$340,100	28.0 %
Group 7	$408,100	28.0 %
Group 8	$489,700	33.0 %

Appendix Eight (cont'd): Current and Recommended Cash Compensation for CEOs of Crown Corporations

Level	Job Rates	Maximum Performance Award
Group 1	$138,900	15.0 %
Group 2	$166,600	15.0 %
Group 3	$199,900	15.0 %
Group 4	$239,800	26.0 %
Group 5	$287,700	26.0 %
Group 6	$345,300	28.0 %
Group 7	$414,300	28.0 %
Group 8	$497,100	33.0 %

Schedule A

Board of Directors

(September 22, 2010)

Subject matter

Human Resources and Compensation Committee Terms of Reference

Background

The Terms of Reference of all Board Committees are subject to periodic review to ensure they continue to reflect best practices and to serve the needs of the Board. At its meeting on September 8, 2010, the Human Resources and Compensation Committee reviewed its Terms of Reference and has recommended certain changes for approval by the Board of Directors.

Information on the matter

Attached are: (i) a memorandum outlining the proposed changes; (ii) two versions of the revised Terms of Reference, one tracking the changes from the current document and the other, a clean copy of the revised document. The Board of Directors is asked to approve the changes as proposed.

For decision X **For information** ☐

Prepared by

Name: Maryse Bertrand Date: September 10, 2010

Committee recommendation

Recommendation for approval of the revised Terms of Reference as presented

Last discussed at the Board

Date: September 2008 Decision made: Revisions approved

Next steps

Distribute revised Terms of Reference

Memorandum

To: **Human Resources and Compensation Committee**

From: **Maryse Bertrand**

Date: **September 1, 2010**

Re: **Proposed Revisions to the Committee's Terms of Reference**

Background

As part of its on-going commitment to best practices in corporate governance, the Board periodically reviews the Terms of Reference for each Board Committee. Management has conducted a review of the Terms of Reference of the Human Resources and Compensation Committee and is proposing certain revisions.

The purpose of this memorandum is to outline the proposed revisions and to seek the Committee's recommendation for their approval by the Board of Directors.

Summary of Proposed Revisions

For the convenience of the Committee, two versions of the revised Terms of Reference are appended, the first, which tracks the changes from the current version and the second, a clean copy of the revised document. The following are the key changes proposed for the Committee's consideration, listed in the order in which they occur in the document.

1. The statement of the Committee's purpose has been expanded to more accurately reflect the scope of the Committee's responsibilities and also to provide that the Committee, in addition to its authority to recommend approval by the Board of Directors, has the authority, with respect to certain designated matters, to approve proposals submitted.

2. The title for the Vice President responsible for Human Resources and Industrial Relations matters has been updated.

3. The terminology has been simplified to refer to Vice-Presidents, Executives, and non-union and non-executive employees in place of Corporate Executives, Executives, senior management, management, and non-union, non-executive employees.

4. The Committee has been given the authority to approve certain matters in relation to the administration of executive incentive plans, including those contemplated by the terms of the Long term Incentive Plan approved in June 2010.

5. The Committee has been given the authority to approve individual compensation packages for Vice-Presidents at hiring and annually thereafter, within the overall executive compensation budget approved by the Board of Directors.

6. The Committee checklist has been update to reflect the current timetable.

The remaining changes are of a housekeeping nature or to ensure overall consistency in language and terminology.

Question for the Committee

The Committee is asked to consider the proposed changes and if appropriate, recommend approval by the Board of Directors of the revised Terms of Reference as presented.

TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

I. PURPOSE

The purpose of the Human Resources and Compensation Committee (the 'Committee') is to assist the Board in fulfilling its oversight responsibilities with respect to human resources strategies, compensation, and other related matters, including but not limited to, the establishment of objectives and the performance evaluation of the President and CEO, significant human resources policies, industrial relations matters, executive and management compensation programs, succession planning, and executive recruitment and development. In performing its role and meeting its responsibilities the Committee may review, report and~~,~~ ~~where~~~~n appropriate~~either~~,~~ approve or provide recommendations to the Board of Directors regarding any such matters under consideration. ~~human resource strategies, including but not limited, to significant human resource policies, industrial relations issues, and executive management compensation programs,~~
~~succession planning, recruitment and development.~~

~~For the purposes hereof, Corporate Executives and Executives have the meaning determined by the Corporation's by-laws.~~

For greater certainty, in this document, the term "Vice-President" refers to a Vice-President who reports directly to the President and CEO.

II. COMPOSITION AND TERMS OF OFFICE

A. The Committee shall consist of the Board Chairperson and at least three and not more than four members of the Board. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.

B. The Chair and members of the Committee shall be appointed by the Board on the recommendation of the Chairperson of the Board.

C. The Committee shall meet regularly, not less than two times a year, and at such other times as may be requested by the Chair of the Committee.

D. A majority of the Committee shall constitute a quorum.

E. The Committee Chair, in consultation with the President and CEO or his delegate, the ~~Vice-President~~Vice-President, ~~Human Resources~~People and Culture, shall set the agenda and the annual timetable, which shall then be circulated among the members.

PROPOSED REVISION

F. Every three years the Committee will review its own terms of reference to ensure they continue to be appropriate, and make recommendations to the Board for changes as necessary.

G. The Corporate Secretary, or his/her delegate, shall be the Secretary to the Committee.

TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board delegates to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

A. Lead, in conjunction with the Chairperson of the Board, the process to establish the President and CEO's objectives for the purpose of the ensuing year's performance review process, lead the performance evaluation process for the current year, and report the results of the process to the full Board together with the Committee's recommendation for the President and CEO's evaluation and remuneration.

B. Review and recommend significant human resources and industrial relations strategies and policies, and monitor their implementation.

C. Review and recommend all significant mandates for the negotiation of collective bargaining agreements to which the Corporation is a party.

D. ~~(Management Compensation Plan)~~ Review and recommend the annual compensation plan -and budgets for ~~Corporate~~ Executives, ~~other Executives and senior management,~~ including incentive compensation plans and budgets.

E. Review and approve matters relating to the administration of Executive incentive plans, including, but not limited to, the designation of individual eligible Executives to participate in such plans.

F. ~~(Corporate Executives specific compensation and termination package)~~ Review and approve at hiring and annually afterwards, ~~comprehensive~~ compensation packages for ~~Vice-Presidents~~Vice-Presidents ~~including ad hoc bonus payments of employees at the Corporate Executive level or equivalent level~~ to ensure ~~consistency~~ alignment with the Corporation's Executive compensation strategy, plan and policies.~~;~~

G. Review and approve any termination package ~~to~~ for ~~Corporate~~ an ~~Executives~~Vice-President- which differs from plans or policies approved by the Board or this Committee.

~~F~~H. ~~(Other Corporate compensation plans)~~Review and recommend the annual compensation plan and budget for non-union and ~~,~~non-executive employees.

PROPOSED REVISION

~~G~~I. ~~(Appointment of Corporate Executives)~~ Review and recommend the appointment of ~~Vice-Presidents~~Vice-Presidents ~~-~~and any major organization structure changes (including proposed personnel changes at the vice-presidential or equivalent level) proposed by the President and CEO.

~~H~~J. Review and recommend the Corporation's succession planning program and process~~, including, for each Corporate Executive, and make recommendations accordingly~~.

TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

~~I.~~K Oversee the selection of and terms of reference ~~of~~ for any outside consultants who are retained to advise the Committee in conjunction with any matter within its mandate, including, but not limited to, ~~to review~~ the ~~Corporate~~ Executive~~s~~ compensation strategy and compensation programs.

~~J~~L. Re~~ceive~~view annually the corporate report regarding Health, Safety and the Environment.

~~K. Pursuant to section 44 (2) and by-laws made pursuant section 51(1)(d) of the Broadcasting Act, review and recommend for approval by the Board, general policies and plans in respect of terms and conditions and termination of employment of officers and employees of the Corporation.~~

~~L.~~M. Perform such other functions as may be assigned from time to time by the Board.

IV. ACCOUNTABILITY

A. The Committee shall report to the Board on a regular basis all such action it has taken since the previous report.

B. Minutes for Committee meetings are available through the Corporate Secretary.

V. COMMITTEE CHECKLIST

The major annual activities of the Committee are outlined in the timetable on the following page.

PROPOSED REVISION

CHECKLIST—HUMAN RESOURCES AND COMPENSATION COMMITTEE

~~JANUARY~~

→ ~~Review annual Health, Safety & Environmental Report~~

MARCH

→ Establish the President and CEO's objectives for the next fiscal year
→ Review and recommend overall Executive compensation plan and annual budget~~→~~
→ Review and recommend annual compensation plan and budget for non-union and non-executive employees
→ ~~Establish the President & CEO's objectives~~
~~→ Evaluate CEO's Performance~~
~~→ Recommend management compensation and benefits plan and budgets, including incentive compensation~~

MAY/JUNE

→ Evaluate the President and CEO's performance for the previous fiscal year
→ ~~Approve Executive and senior managemetn total incentive compensation.~~ Approve individual compensation and incentive payouts for the ~~Vice-Presidents~~Vice-Presidents
→ Review Annual Health, Safety and Environmental Report

SEPTEMBER

→ Review and recommend ~~Corporate~~ the Corporation's ~~Executives~~ succession planning ~~and Corporate succession~~ program and process

WHEN NEEDED

→ Review and recommend significant ~~H~~human ~~R~~resources and ~~I~~industrial relations policies
→ Review and recommend significant bargaining mandates for negotiations and collective agreements
→ Review and recommend ~~Vice-President~~ appointments of ~~Vice-Presidents~~Vice-Presidents and major organizational structure changes

PROPOSED REVISION

→ ~~→~~ Oversee the selection and the terms of reference of outside consultants ~~for~~

~~→ Review and recommend Corporate Executives succession plan and Corporate succession program and process Corporate Executives compensation strategy~~

~~→ → Review contracts for Corporate executives or equivalent level~~

→ Review Committee Terms of Reference (every 3 years)

~~→ Review Corporation's termination policies~~

TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

I. PURPOSE

The purpose of the Human Resources and Compensation Committee (the 'Committee') is to assist the Board in fulfilling its oversight responsibilities with respect to human resources strategies, compensation, and other related matters, including but not limited to, the establishment of objectives and the performance evaluation of the President and CEO, significant human resources policies, industrial relations matters, executive and management compensation programs, succession planning, and executive recruitment and development. In performing its role and meeting its responsibilities the Committee may review, report and either approve or provide recommendations to the Board of Directors regarding any such matters under consideration.

For greater certainty, in this document, the term "Vice-President" refers to a Vice-President who reports directly to the President and CEO.

II. COMPOSITION AND TERMS OF OFFICE

A. The Committee shall consist of the Board Chairperson and at least three and not more than four members of the Board. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.

B. The Chair and members of the Committee shall be appointed by the Board on the recommendation of the Chairperson of the Board.

C. The Committee shall meet regularly, not less than two times a year, and at such other times as may be requested by the Chair of the Committee.

D. A majority of the Committee shall constitute a quorum.

E. The Committee Chair, in consultation with the President and CEO or his delegate, the Vice-President, People and Culture, shall set the agenda and the annual timetable, which shall then be circulated among the members.

F. Every three years the Committee will review its own terms of reference to ensure they continue to be appropriate, and make recommendations to the Board for changes as necessary.

G. The Corporate Secretary, or his/her delegate, shall be the Secretary to the Committee.

TERMS OF REFERENCE FOR THE
HUMAN RESOURCES AND COMPENSATION COMMITTEE

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board delegates to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

A. Lead, in conjunction with the Chairperson of the Board, the process to establish the President and CEO's objectives for the purpose of the ensuing year's performance review process, lead the performance evaluation process for the current year, and report the results of the process to the full Board together with the Committee's recommendation for the President and CEO's evaluation and remuneration.

B. Review and recommend significant human resources and industrial relations strategies and policies, and monitor their implementation.

C. Review and recommend all significant mandates for the negotiation of collective bargaining agreements to which the Corporation is a party.

D. Review and recommend the annual compensation plan and budgets for Executives, including incentive compensation plans and budgets.

E. Review and approve matters relating to the administration of Executive incentive plans, including, but not limited to, the designation of individual eligible Executives to participate in such plans.

F. Review and approve at hiring and annually afterwards, compensation packages for Vice-Presidents to ensure alignment with the Corporation's Executive compensation strategy, plan and policies.

G. Review and approve any termination package for a Vice-President which differs from plans or policies approved by the Board or this Committee.

H. Review and recommend the annual compensation plan and budget for non-union and non-executive employees.

I. Review and recommend the appointment of Vice-Presidents and any major organization structure changes (including proposed personnel changes at the vice-presidential or equivalent level) proposed by the President and CEO.

J. Review and recommend the Corporation's succession planning program and process.

TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

K. Oversee the selection of and terms of reference for any outside consultants who are retained to advise the Committee in conjunction with any matter within its mandate, including, but not limited to, the Executive compensation strategy and compensation programs.

L. Review annually the corporate report regarding Health, Safety and the Environment.

M. Perform such other functions as may be assigned from time to time by the Board.

IV. ACCOUNTABILITY

A. The Committee shall report to the Board on a regular basis all such action it has taken since the previous report.

B. Minutes for Committee meetings are available through the Corporate Secretary.

V. COMMITTEE CHECKLIST

The major annual activities of the Committee are outlined in the timetable on the following page.

CHECKLIST—HUMAN RESOURCES AND COMPENSATION COMMITTEE

MARCH

- Establish the President and CEO's objectives for the next fiscal year
- Review and recommend overall Executive compensation plan and annual budget
- Review and recommend annual compensation plan and budget for non-union and non-executive employees.

MAY/JUNE

- Evaluate the President and CEO's performance for the previous fiscal year
- Approve individual compensation and incentive payouts for the Vice-Presidents
- Review Annual Health, Safety and Envionmental Report

SEPTEMBER

- Review and recommend the Corporation's succession planning program and process

WHEN NEEDED

- Review and recommend significant human resources and industrial relations policies
- Review and recommend significant bargaining mandates for negotiations and collective agreements
- Review and recommend appointments of Vice-Presidents and major organizational structure changes
- Oversee the selection and the terms of reference of outside consultants
- Review Committee Terms of Reference (every 3 years)

Schedule A

Board of Directors
22 September 2010

Subject matter

Halifax consolidation

Background

s.18(b)
s.20(1)(b)
s.20(1)(c)

Halifax operations are in two older buildings, owned by CBC/SRC. [redacted]

Information on the matter

[redacted]

For decision	X	**For information**	

Prepared by

Name: Kirstine Stewart / Andrew Cochran Date: 9 September 2010

Recommendation

Management has studied numerous scenarios and recommends consolidating our Halifax services in a single location by means of an addition at our existing Bell Road premises, as contemplated in “Bell Road - Scenario Three” outlined herein, and further to dispose of the Sackville Street property. This alternative has the most favourable impact on annual operating costs and achieves all media objectives.

Last discussed at the Board

Date: Decision made:

Next steps

Authorization to proceed with the project, involving several constituent transactions and subject to certain conditions, all of which are detailed in the attached resolution. The final financial terms of the transaction will be subject to the approval of the Real Estate Committee of this board.

Halifax Consolidation Project

Bell Road

Sackville Street

Briefing for Real Estate Committee

20 September 2010

Ottawa

CBC Radio-Canada

Executive Summary

Situation

Our operations in Halifax are in two buildings. There is excess space and duplication of operating costs. Both buildings are old, and both need extensive remediation to avert threats to business continuity. Current and future media objectives are being compromised by splitting operations between two buildings. Halifax is one of our principal centres and the only remaining CBC location to have its media operations in more than one building. One of these buildings, on Sackville St., can be sold and value achieved through a MOU partnership with the Halifax YMCA.

Challenge

We need to eliminate excess capacity and duplicative costs by uniting operations into a single building plus attend to the associated real estate and financing issues.

s.18(b)
s.20(1)(b)
s.20(1)(c)

Recommendation

We recommend combining operations by expanding our existing location at Bell Road. This project would be completed within 30 months of the necessary approvals.

Halifax is the Maritimes Regional Centre for English Services

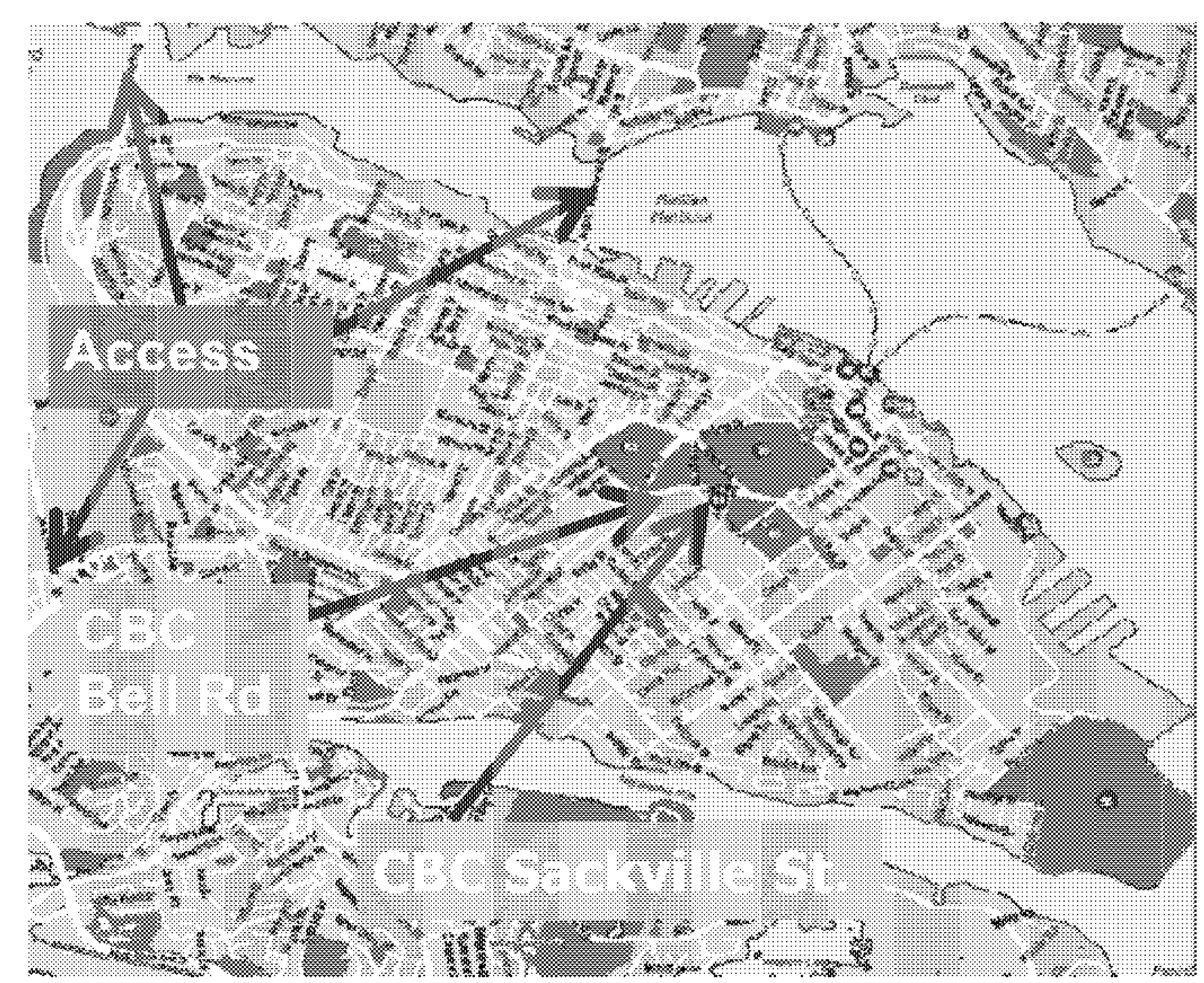
- English Services TV, Radio, CBC.ca
  - Local/regional news, network production, regional production & programming
  - Regional centre for sales, finance, human resources, IT, Web development
  - Operates 16 hours/day x 7 days a week
- French Services TV, Radio
  - Daily radio
  - News bureau

Media objectives for Halifax

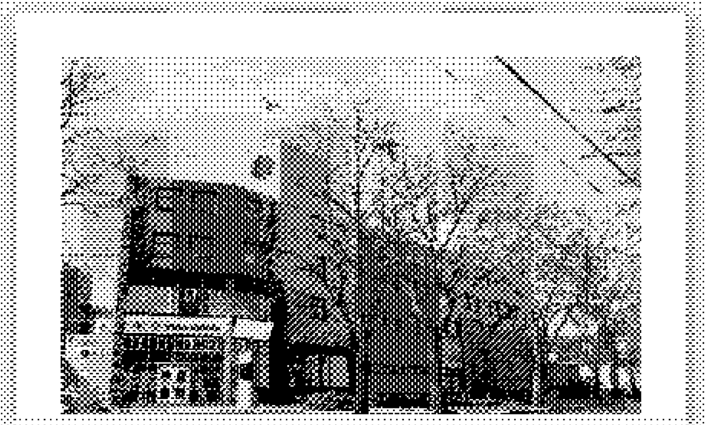
- Complete deep integration of TV, Radio, New Media, in a single facility for English and French services
- Improve news offer, capability and efficiency
- Maintain network production capability and efficiency
- Maintain high visibility including public accessibility
- Contribute to workforce motivation and productivity

We currently occupy two buildings in desirable locations on the Halifax peninsula

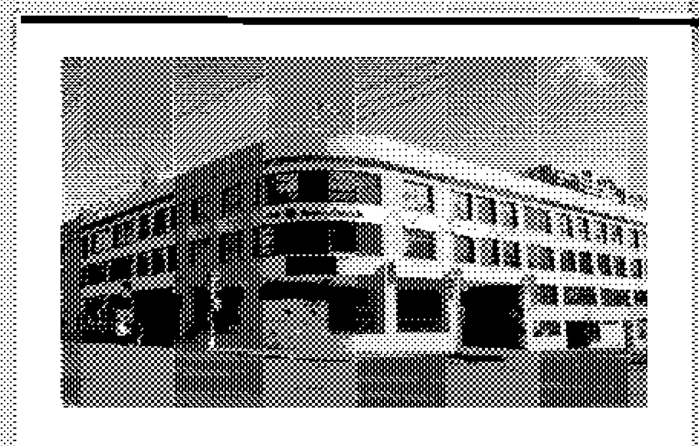
- Bell Road: 57,000 sf
- Sackville St: 86,000 sf
- Total footprint: 143,000 sf



Operations are split between aging buildings



Bell Road – 55 years old
- FCI of 72%, considered critical
- Business continuity a concern
-



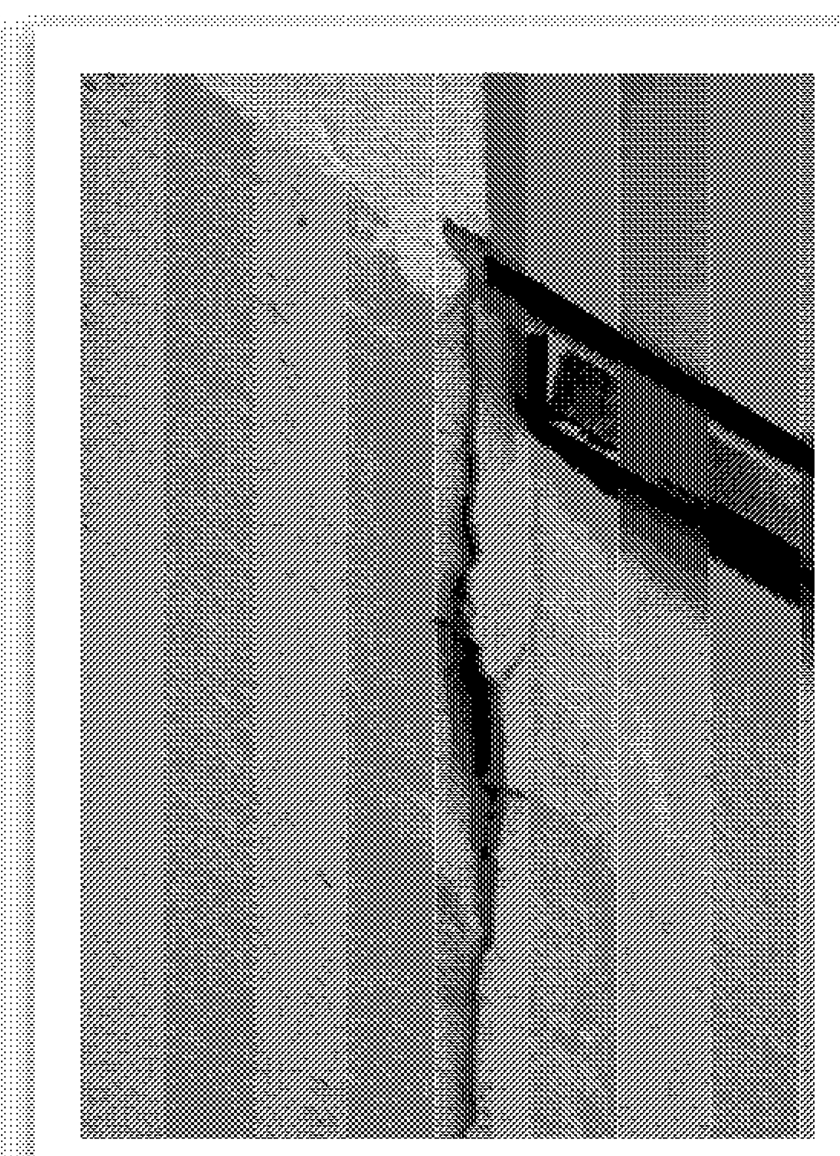
Sackville Street – 73 years old
- FCI of 67%, considered critical
- Business continuity a concern

Scaffolding and brick-netting has been put in place permanently to mitigate deterioration that is evident in both locations

40,000 sf surplus space at Sackville Street

- Not useful for present CBC operations
- Not separately accessible for 3rd party leasing
- Vacant space incurs operating cost of $0.4M/year

Duplication of expenditures (e.g. operating costs, taxes)



FCI: A benchmark to measure & monitor the condition of a building relative to its replacement cost (equipment & infrastructure) for risk analysis and funding prioritization purposes.

1. Needs Study
2. Detailed Assessment - Continuity of Operations
3. Halifax Real Estate Market Study: Identify Potential Space Alternatives (Altus Group)
4. Financing models (validated by Scotia Capital)
5. Project models (five scenarios)
   - Development plan (each of five projects)
   - Competitive assessment compared to objectives
   - Cash costs (each of five projects)
   - Cash flows through life of project (each of five projects)
   - Impact on annual operating costs (each of five projects)
   - Sensitivity analysis
6. Detailed construction costs (validated by Altus Group)
7. Business case: Halifax-based network production
   - Studio utilization, contribution of revenue (25 years)
   - Nova Scotia production market activity (five years)
   - Model of business unit revenues and costs (high, mid, low utilization)

s.18(a)
s.18(b)

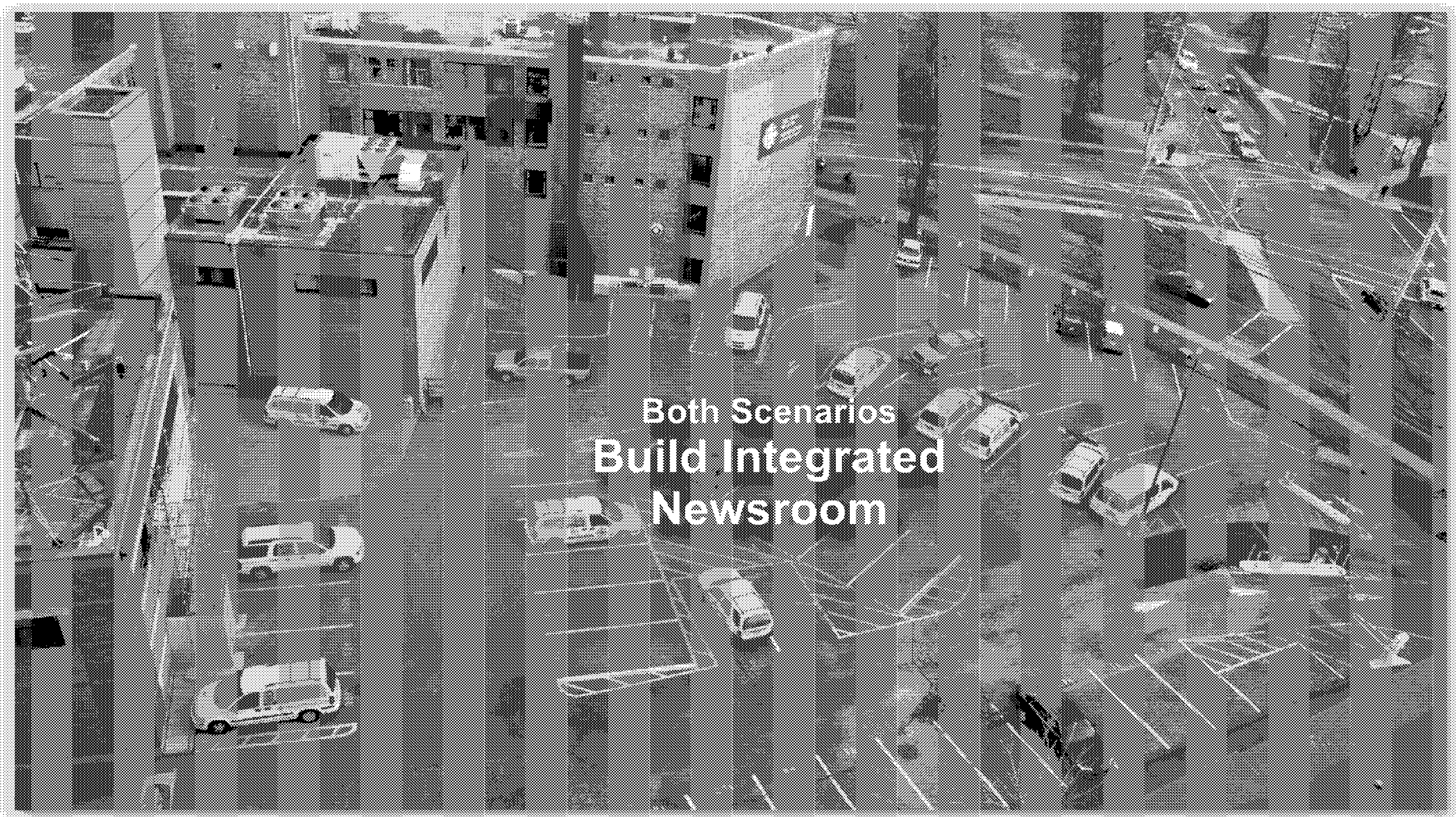
CHALLENGE *Five scenarios*

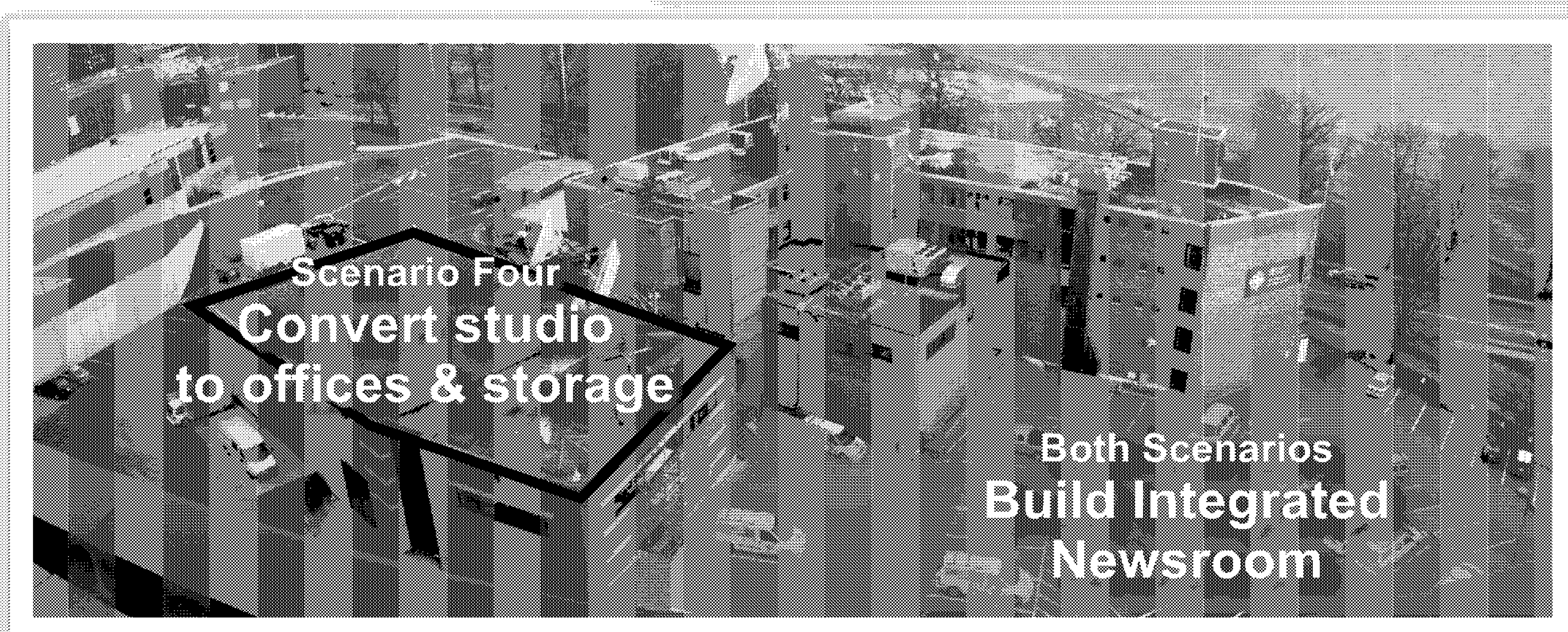
CBC Radio-Canada

	Scenario	Bell Road	Sackville Street	Upfront investment required	Total cash flows over 23 years	Impact on annual budget (1)	Notes
1	**Keep both buildings**	Remediate	Remediate				
2	**Move to new leased location**	Sell	Sell				
3	**Consolidate existing operations at Bell**	Remediate & expand	Sell				
4	**Consolidate reduced operations at Bell**	Remediate & expand	Sell				
5	**Consolidate reduced operations at Sackville**	Sell	Remediate & redevelop				

Scenario Three

- Consolidates all operations at existing location
- Builds new integrated newsroom in parking lot, plus basement and second floor
- New construction of 35,000 sf
- Remediate 52,000 sf
- Off-site rental of 10,000 sf





Scenario Four

- Converts network production studio and associated space to offices and storage

s.18(b)

- Builds new integrated newsroom in parking lot
- New construction of 14,000 sf
- Remediate 52,000 sf

s.18(a)
s.18(b)

CHALLENGE *Financial model*

CBC Radio-Canada

CHALLENGE *Sensitivity analysis*

CBC Radio-Canada

ASSUMPTIONS	*Annual savings / (cost)*
The project cost decreases by [redacted]	$
The financing rate rises by [redacted]	$
The financing rate decreases by [redacted]	$
The gross proceeds from the sale of the Sackville Street building, disposed in conjunction with the [redacted], are [redacted]	$

s.18(a)
s.18(b)

CHALLENGE *Risks & Mitigation*

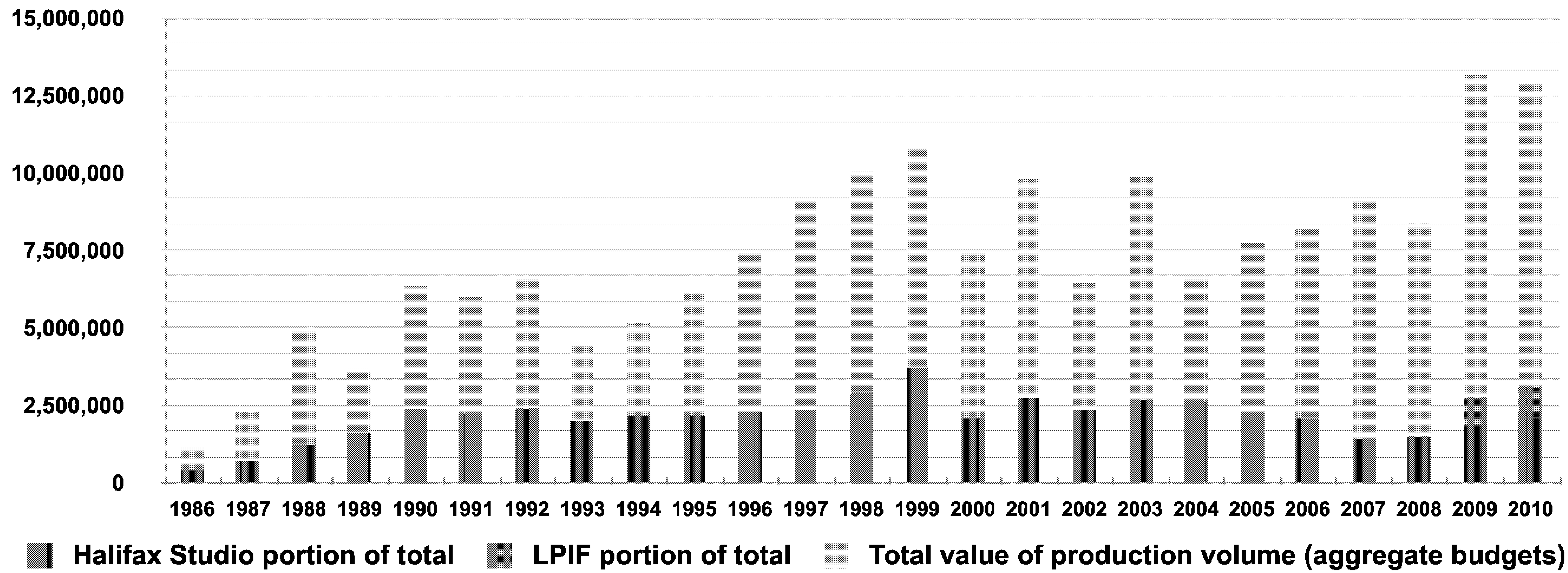
s.18(a)
s.18(b)

CHALLENGE *Business case: network production studio*

CBC Radio-Canada

Halifax is part of the Toronto Production Centre (TPC) infrastructure for network production

Halifax is a continual provider of network programs, over more than a 25 year history



Studio operations contribute locally beyond use as a network resource

- Positive impacts on news, radio, sales, communications & partnerships

s.18(a)
s.18(b)

CHALLENGE *Business case: network production studio*

CHALLENGE *Business case: network production studio*

CBC Radio-Canada

$2m Revenue Model	**Year:**	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**---->**	**2032/33**
Upfront investment										
R/E costs - financed externally										
Technology costs - capital budget										
Revenues										
Independent productions for CBC										
LPIF, labour tax credits and other production assistance										
Costs										
Direct wages and benefits										
Other direct production costs										
Facilities - OPEX + Taxes										
Set design/ warehouse - Rent, Opex, Taxes										
Net contribution - annual w/o interest charges										
Interest charges										
Net contribution - annual										
Cumulative contribution										
Net Present Value - with interest charges										
Assumptions (2010 $)										
Inflation rate - general										
Discount rate					s.18(a)					
Studio revenue growth rate					s.18(b)					
Salary growth rate										
Interest charge on external financing										
Revenue generation										
Studio rentals (per year)										
LPIF (per year until Aug 2012)										
Other credits and assistance										
Studio 1 and related areas (sf)										
Bell Rd (consolidated) - OPEX+taxes (psf)										
Studio 1 - direct salaries and benefits (per year)										
Other direct production costs (per year)										
Gross rent - set design & storage (psf)										
Set design & storage (sf)										

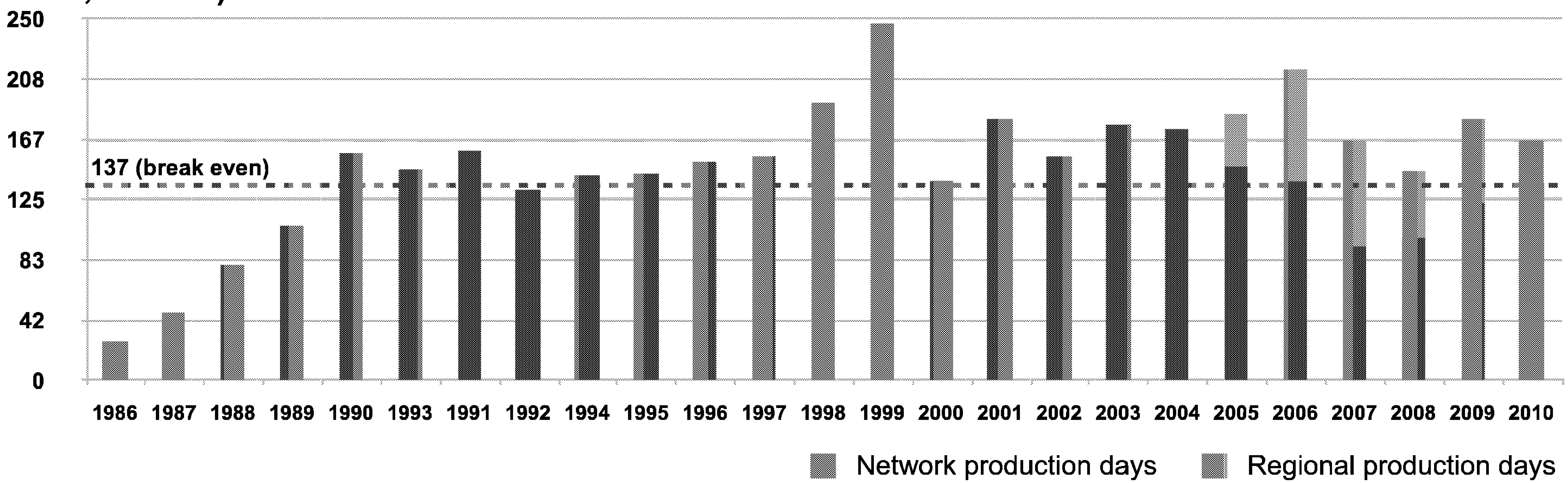
s.68.
1

CHALLENGE *Business case: network production studio*

Daily utilization now results from a combination of production drivers (reference year 2010)

Production driver	Current projects	Customer	Type	Projected Days (2010)
CBC Network programs: **Originating from Maritimes**		Independent producer Independent producer		63
CBC Network programs: **Originating elsewhere & relocated to Halifax**		Independent producer		37
3rd party programs: **Hiring studio & associated services for non-CBC use**		Independent producer		43
CBC Local/regional programs: **Enabled by stand-by capacity**		CBC Maritimes Independent producer Independent producer CBC Maritimes		29

Utilization days over the past 25 years (137 days = 2011 projected break even point, including OPEX, taxes, interest)



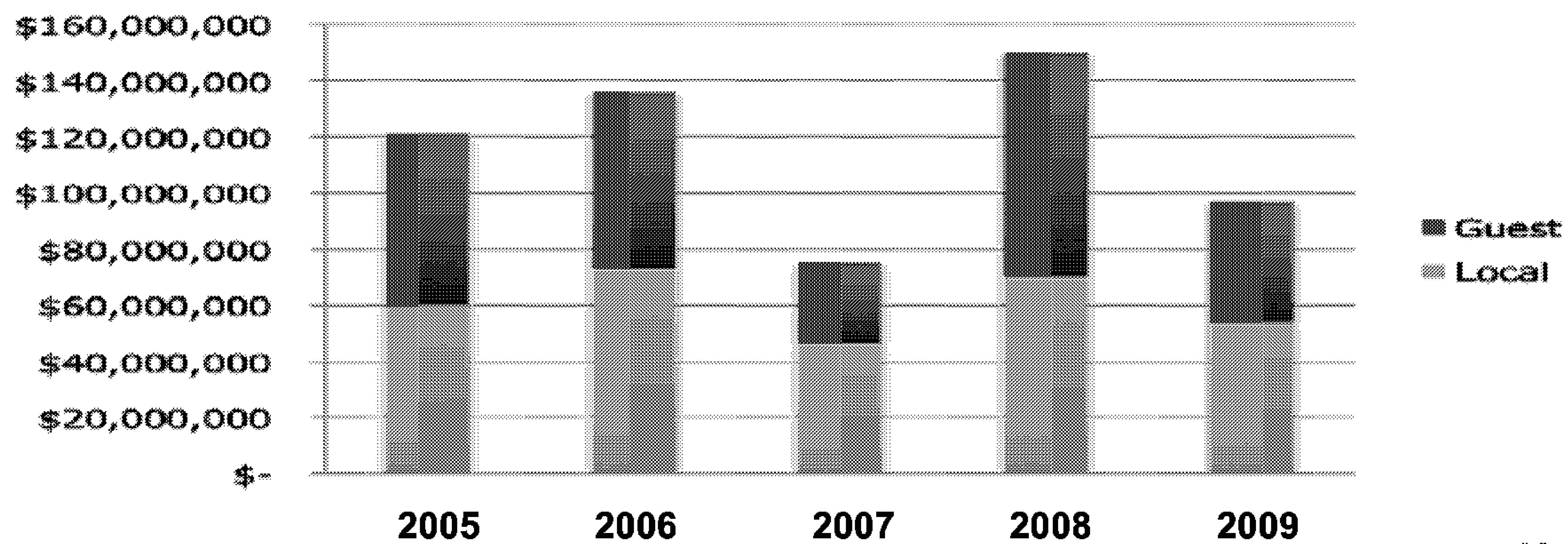
Ours is the only television production studio east of Montreal

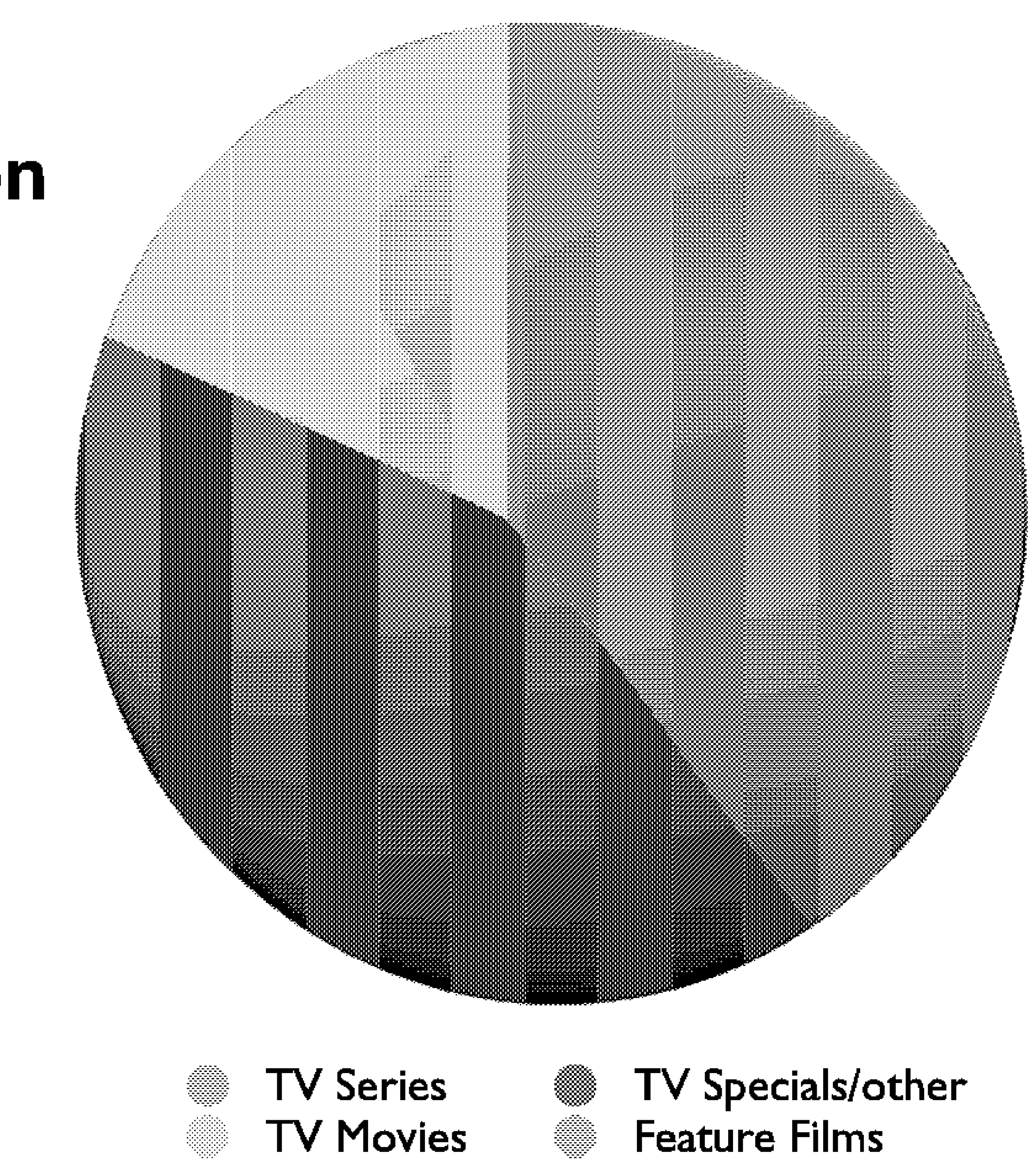
- Studio now has rate card, business processes for marketing utilization by 3rd parties
- Present 3rd party use validates local need and market for studio

The Nova Scotia market environment is oriented to television production

Local producers average $60M annual volume

Nova Scotia Film/TV Production Volume: 5 years





Nova Scotia Film/TV Production Market: 5 years

Year	Feature Films	TV Series	TV Specials/ Other	MOW
2005	6	12	16	8
2006	4	12	20	4
2007	3	15	20	6
2008	5	35	25	2
2009	4	21	20	3
	22	**95**	**101**	**23**

RECOMMENDATION

(1) Our recommendation is Scenario 3 ("Bell Road with Studio").

- **Today -** Most favourable annual cost and meets all media objectives
- **Near term -** Enables earning additional revenue from existing assets
- **Longer term -** Provides flexibility to scale (down or up) as production drivers dictate

(2) With this decision, we will proceed with the following steps:

s.18(a)
s.18(b)

- Presentation to CBC Board of Directors Real Estate Committee
- Presentation to CBC Board of Directors

- Issue RFP for consultants, architects, engineers and designers to determine precise costs
- Identify optimal sources of funds, i.e. lease leaseback
- Presentation to CBC Board of Directors Real Estate Committee showing final estimated costs, financing
- Submission to Treasury Board

(3) Continue to act on the partnership plan with the YMCA for a joint development agreement that increases the value of our existing Sackville Street property

(4) Move forward with an application for a building permit to consolidate into a redeveloped and expanded Bell Road

Schedule of Appendices

Appendix A –	Financials – Overview
Appendix B –	Bell Rd – Key Metrics
Appendix C –	Current Situation – Today's Reality
Appendix D –	Evaluation Table
Appendix E –	Bell Rd – Zoning
Appendix F –	Halifax Port
Appendix G –	RF interference Study - CBC
Appendix H –	Vancouver Comparison
Appendix I –	Radio Studios efficiencies
Appendix J –	Studio 1 Production (A&E TV)
Appendix K –	Studio H Production (A&E Radio)
Appendix L –	Facility Condition Index
Appendix M –	Network Production Studio - Business Case Model
Appendix N –	Network Production Studio - Rate Card

Halifax Consolidation Project

Appendices

Bell Road

Sackville Street

September - 2010

CBC Radio-Canada

Halifax Consolidation Project

CBC Radio-Canada

Appendix A –	Financials – Overview
Appendix B –	Bell Rd – Key Metrics
Appendix C –	Current Situation – Today's Reality
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Appendix M –	Network Production Studio – Business Case Model
Appendix N –	Network Production Studio – Rate Card

s.18(b)

Appendix A – Financials Overview

s.18(b)

Appendix A – Financials Overview

CBC Radio-Canada

09

s.18(b) s.18(a)

Appendix A – Financials Overview

CBC Radio-Canada

s.18(b)

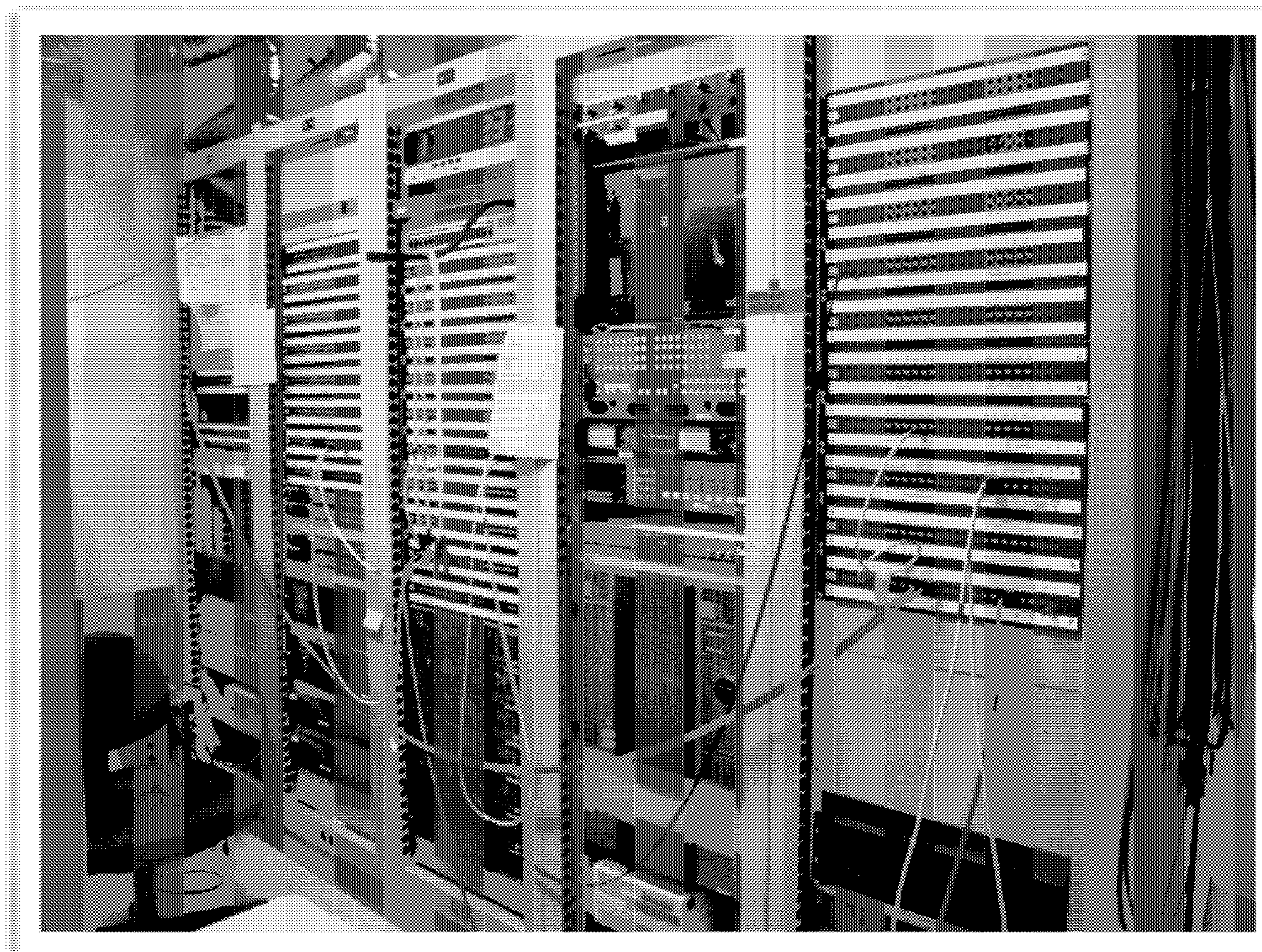
s.18(a)

Appendix A – Financials Overview

Appendix B – Bell Road - Key metrics

s.18(a)
s.18(b)

CBC Radio-Canada



- Plant Digitization
- Ignite Control Room
- Desktop Television
- Aggregate of smaller projects

Appendix B – Bell Road - Key Metrics

CBC Radio-Canada

Appendix B – Bell Road - Key Metrics

CBC Radio-Canada

40,000 sq ft of surplus space being carried at Sackville Street at a cost of approx.
- Not required for present CBC operations.
- Non contiguous space and access/security not designed for 3rd party leasing.

■ Current ■ Post Redevelopment

s.18(a)
s.18(b)

Appendix C - Current Situation – Today's Reality

CBC Radio-Canada

Only minimal repairs/upgrades to both buildings have been made over the past seven years – and will continue – until a final solution is achieved.

-

- **FCI of 72% and 67% will continue to worsen**

Large projects are anticipated but with unbudgeted costs, and uncertain timing.

Halifax Real Estate Projects 2010-2016

Budgeted Projected

Year	Bell Road	Sackville Street	Total
2010-2011			
2011-2012			
2012-2013			
2013-2014			
2014-2015			
2015-2016			
2016-2017			

Appendix C - Current Situation – Today's Reality

s.18(a)

System failures could affect the continuity of operations

Appendix D - Evaluation Table

s.18(b)

Appendix E

- **Bell Road Redevelopment – Zoning**

s.18(b)
s.21(1)(a)

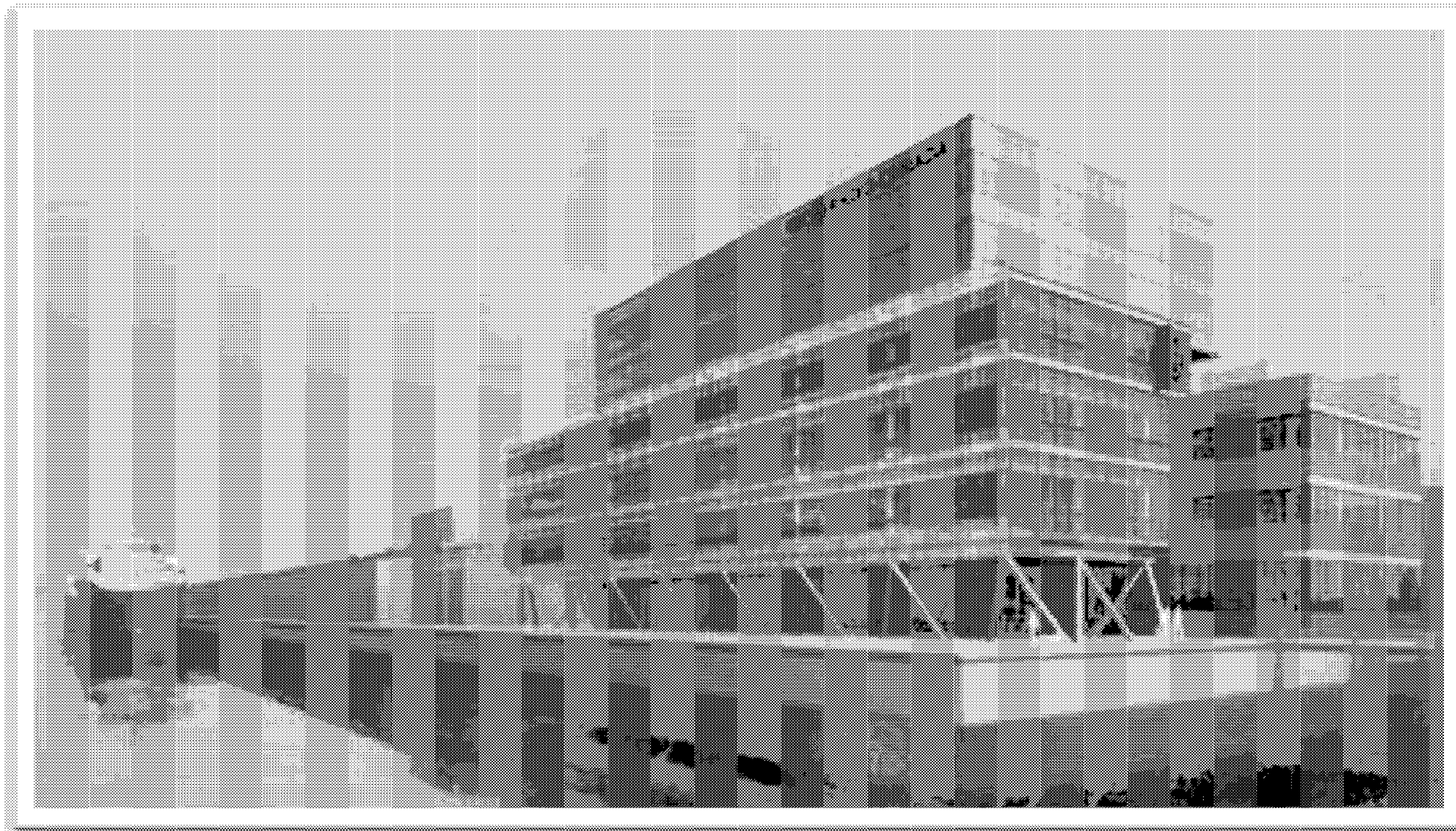
s.21(1)(a)
s.2
3

Appendix E

- **Bell Road Redevelopment – Zoning**

Appendix F - Halifax Port

CBC Radio-Canada

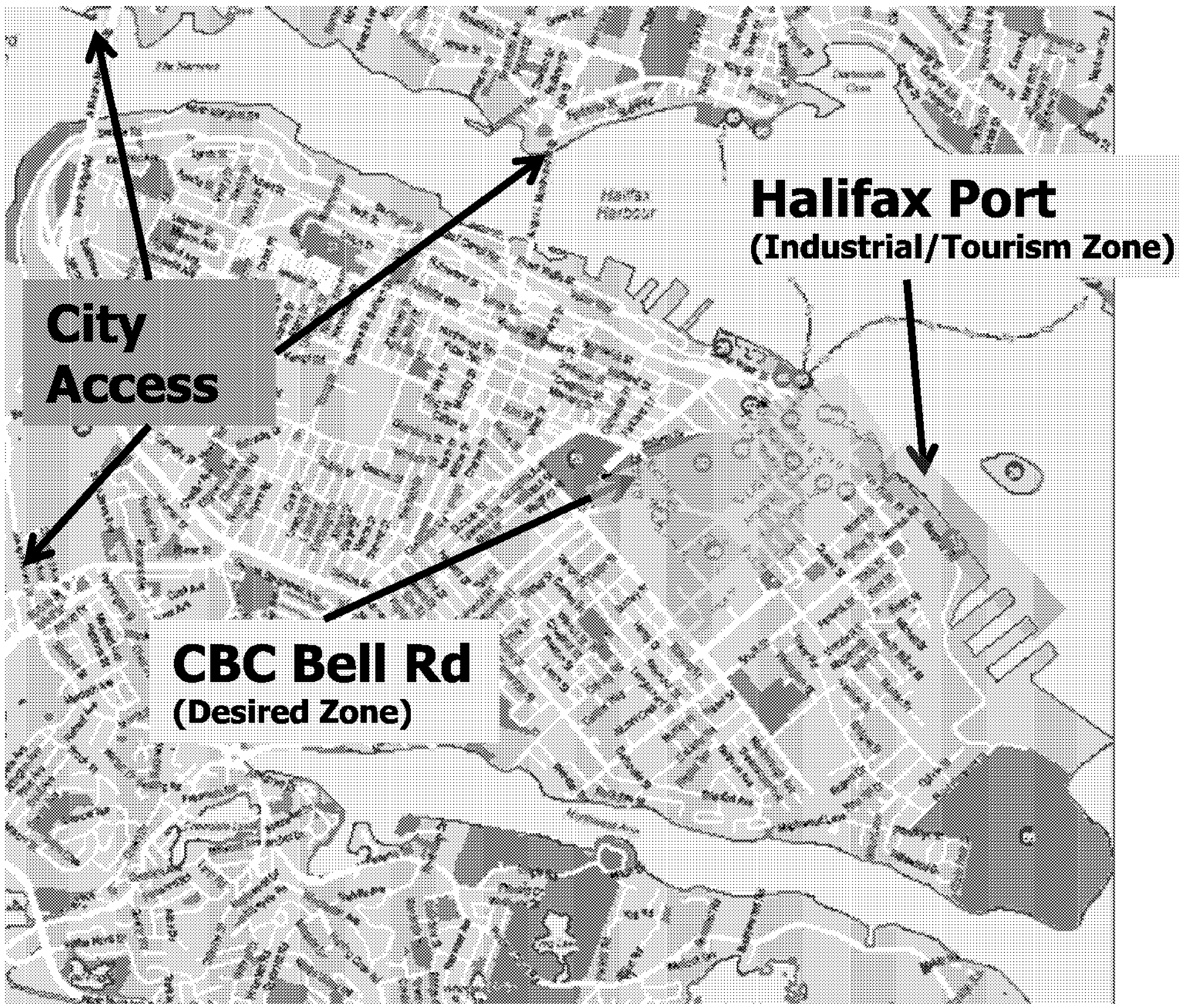


s.21(1)(a)

s.21(1)(a)

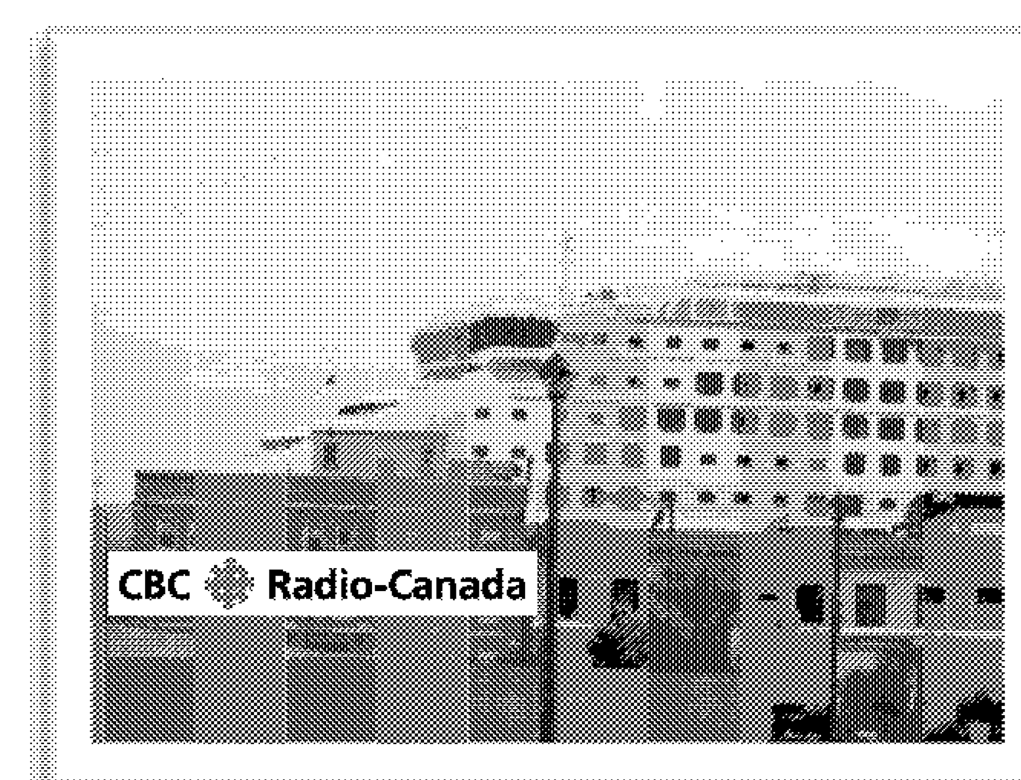
Appendix F - Halifax Port

CBC Radio-Canada



s.21(1)(a)

Appendix F - Halifax Port



Appendix G

CBC Radio-Canada

- **Halifax Port RF Interference Study - CBC**

  – The Study was conducted by CBC Transmission Dept. from September 16th-18th, 2009. Measurements were taken from the top of the Halifax Port Authority building. Four test setups were performed.

  – Test Setup One

  • Measurements were made using a C-band horn antenna, connected to a low noise amplifier/downconverter. The C-band frequencies from 3.7 to 4.2 MHz, were downconverted to frequencies from 950 to 1450 Mhz.

  •The amplifier was an LNB with a gain of about 60dB. These signals were displayed on a Rhode & Schwarz FSH3 spectrum analyzer. The spectrum analyzer was set to max hold and displayed any interfering frequencies that were in use across the C-band.

  •The horn was pointed in the direction of the mouth of the harbour, to record any signals generated by cruise ships, container ships, and oil tankers. It was also pointed inwards towards the harbour and shipyards.

  •CONCLUSION: In-band traffic, or interference was observed in both locations. Similar interference was noticed coming from the cruise ships and the container ship. Pulsing groups of signals that came and went within the C-band. Also noted was a series of spikes that were generated in the upper C-band area.

Appendix G

CBC Radio-Canada

• Halifax Port RF Interference Study - CBC

– Test Setup Two

• A Ku-band amplifier, with no feed horn, connected to a Rhode & Schwarz FSH3 spectrum analyzer. Similar to test setup one, the downconverted frequencies were displayed and captured on the screen.

CONCLUSION: Only a small grouping of low level interfering signals were noted.

– Test Setup Three

• The C-band horn antenna, with no amplifier attached, was connected directly to an Agilent spectrum analyzer. It was set to record frequencies from 2Ghz to 6GHz.

• The first night a large spike was recorded at about 3.05GHz This signal was 30dB above the noise floor of the spectrum analyzer, and peaked at about –45dBm.

CONCLUSION: Such a high level signal, so close to the frequency band of a C-band amplifier, may have the potential to desensitize or overload the amplifier, causing loss of received signal or the generation of spurious signals throughout the band.

Appendix G

- **Halifax Port RF Interference Study - CBC**

  – Test Setup Four

  - A cellular whip antenna, whose operating frequency is around 850MHZ, was used to check for interference at 950MHZ 450MHz and 455MHZ.

  - These are the frequencies used by the radio STL's, studio to transmitter links. This antenna was fed directly into a Rhode & Schwarz FSH3 spectrum analyzer, which was set to max hold.

  CONCLUSION: No interfering signals were noted, over the course of a few hours each day, while the cruise ships were in the harbour.

Appendix H – Vancouver Comparison

Halifax Bell Road consolidation vs Vancouver

	Vancouver	Halifax
Construction costs		
Professionals:		
Architects and engineers		
Project manager		
Internal CBC team		

In Vancouver we had:

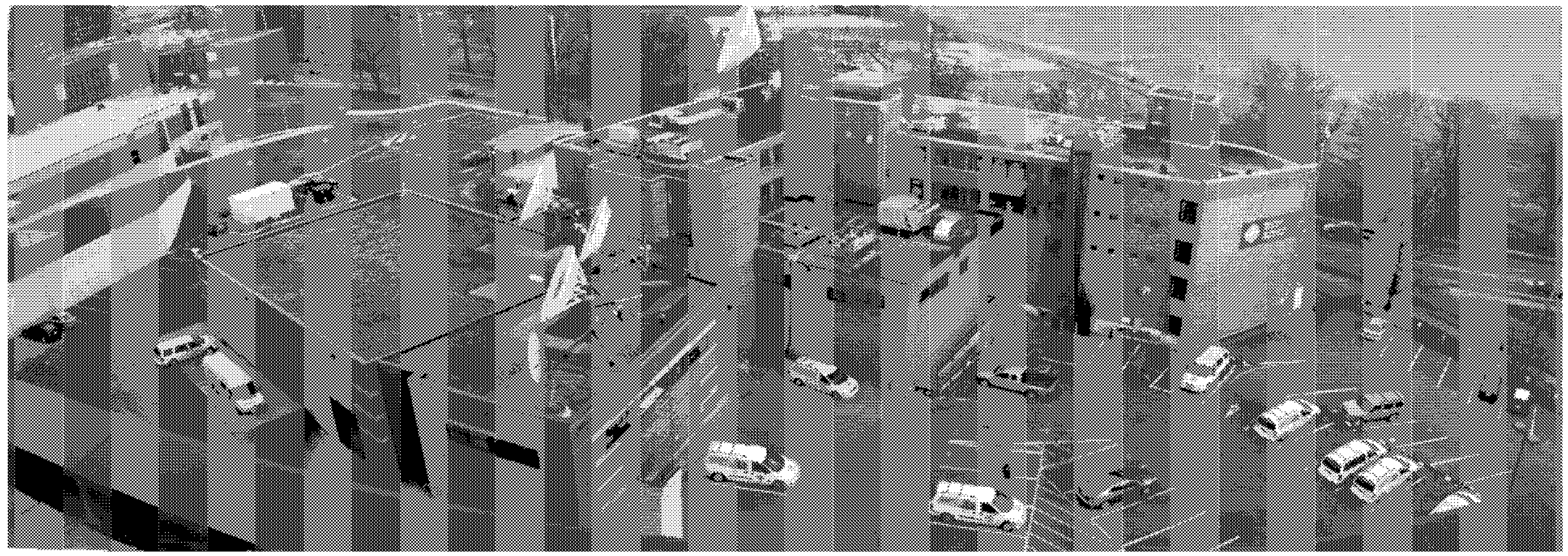
major demolition of existing building structure and infra-structure
major construction of new facilities within the existing facility
major improvements to the existing office space
major disruption of daily activities with noise, dust
minimal churn space which meant more domino effects for staff moves

In Halifax we will have:

no demolition of existing building structure and infra-structure
major construction of new facilities outside of the existing facility
major improvements to the existing office space
minor disruption of daily activities with noise, dust
more churn space existing at both bldgs, making the staff moves simpler
half the construction costs of Vancouver
shorter schedule than Vancouver

Appendix I – Radio Studios Efficiencies

CBC Radio-Canada



s.21(1)(a)

Appendix I – Radio Studio Efficiencies

CBC Radio-Canada

- Eliminate 2 Radio Studios, convert 1 Radio studio to a Superbooth, and eliminate 2 booths
- Reduce the overall space requirement from 5,141 sq ft to 3,690 sq ft.

s.18(b)

Appendix J – Studio 1 Production (A&E TV)

CBC Radio-Canada

- **<u>Halifax Television Production (09-10):</u>**

s.18(b)

s.68.
1

Appendix K – Studio H Production (A&E Radio)

CBC Radio-Canada

Halifax Studio H - Network Contributions:

s.68.
1

Halifax Studio H - Productions:

- Studio H Sessions tba Audio and Web

Appendix L – Facility Condition Index (FCI)

CBC Radio-Canada

- **Facility Condition Index (FCI*): A benchmark to measure & monitor the relative condition of a building (equipment & infrastructure) for risk analysis and funding prioritization purposes.**

- **FCI measured as a percentage = $\frac{\text{Current Amount of Maintenance Deficit}}{\text{Current Building Replacement Value}}$**

- **FCI Categorization - varies with users but consistent with Public Works & Government Services Canada:**

0 to 5%:	**Excellent**
5% to 10%:	**Average**
10% to 30%:	**Poor**
Greater than 30%:	**Critical**

Appendix M

Network Production Studio - Business Case Model

s.18(a)
s.18(b)

Appendix M

Network Production Studio - Business Case Model

CBC Radio-Canada

$2m Revenue Model	**Year:**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**---->**
Upfront investment										
R/E costs - financed externally										
Technology costs - capital budget										
Revenues										
Independent productions for CBC										
LPIF, labour tax credits and other production assistance										
Costs										
Direct wages and benefits										
Other direct production costs										
Facilities - OPEX + Taxes										
Set design/ warehouse - Rent, Opex, Taxes										
Net contribution - annual w/o interest charges										
Interest charges										
Net contribution - annual										
Cumulative contribution										

Appendix M

s.18(a)
s.18(b)

Network Production Studio - Business Case Model

CBC Radio-Canada

$2m Revenue Model	Year:	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Upfront investment								
R/E costs - financed externally								
Technology costs - capital budget								
Revenues								
Independent productions for CBC								
LPIF, labour tax credits and other production assistance								
Costs								
Direct wages and benefits								
Other direct production costs								
Facilities - OPEX + Taxes								
Set design/ warehouse - Rent, Opex, Taxes								
Net contribution - annual w/o interest charges								
Interest charges								
Net contribution - annual								
Cumulative contribution								

Appendix N

Network Production Studio – Rate Card

CBC Radio-Canada

s.18(a)

CBC Halifax - Rentals

Facility Rates	Daily Rate	Weekly Rate Discount	Weekly Rate Cost		4 weeks or More Discount	4 weeks or More Cost

Appendix N

Network Production Studio – Rate Card

CBC Radio-Canada

CBC Halifax - Rentals

s.18(a)

Labour Rates	Hourly 1.00 hr	Daily 7.75 hrs	OT Rate	Daily 8.0 hrs	Daily 10.0 hrs

Schedule A

Board of Directors
September 21-22, 2010

Subject matter

Rimouski – New multimedia production centre for Eastern Quebec

Background

s.18(a)
s.18(b)

Information on the matter

For decision [X] **For information** [ ]

Prepared by

Sylvain Lafrance
September 9, 2010

Management recommendation

Operational consolidation strategy for Eastern Quebec TV/Radio/Web operations per Option 1 – New site in Rimouski be approved.

Last discussed at the Board

Next steps

Negotiations with potential private-sector partners for building and lease of new facility.

Rimouski

A Multimedia Production Centre in Eastern Quebec

Presentation to the CBC/Radio-Canada Board of Directors Real Estate Committee

RADIO | TÉLÉVISION | INTERNET

Executive Summary

Background

Restructuring Radio-Canada's presence in Eastern Quebec follows the implementation of French Services' integrated regional production centres in the Eastern Townships, Mauricie and Saguenay regions, and is in keeping with the objectives of the "Driving Towards 2015" strategy. The March 2010 granting of a new licence in Rimouski results in eligibility for the Local Programming Improvement Fund (LPIF) and access to the local advertising market. In addition, the new affiliate contract recently negotiated (in June 2010) for Rivière-du-Loup allows Radio-Canada to consolidate its regional presence.

Challenges

The temporary control room located in Quebec city and currently used for *Le téléjournal/Est-du-Québec* must be replaced. Immediate transition to High Definition (HD) for Eastern Quebec is possible provided that the new control room is housed in an HD production centre, which is not the case for the Quebec City station. Regional anchoring of Espace musique for Eastern Quebec is in Rimouski. The Rimouski facilities are 60 years old and must be upgraded.

Recommendation

To install an integrated TV, radio, and Web production centre in Rimouski as a hub to serve all of Eastern Quebec. Move staff and equipment into a new building in downtown Rimouski to provide optimum visibility for this new hub and assert Radio-Canada's presence in the region. This centre will ensure improved coordination and streamlining of TV, radio, and Web production throughout the region, including Rimouski (the hub), the "satellite" stations (Matane, Sept-Îles) and the bureaus (Baie-Comeau, Gaspé, Carleton, Rivière-du-Loup).

Project Perfectly Aligned With CBC/Radio-Canada's "Driving Towards 2015" Strategy

-Background-

"CBC/Radio-Canada commits to be a leader in regional presence through a multimedia approach."

<u>For French Services, the regional strategy involves:</u>

1. identifying regional hubs for optimum distribution of regional multimedia production in French-language markets;

2. creating efficient integrated multimedia production centres in strategic locations, as put in place in the Eastern Townships, Mauricie and Saguenay regions;

3. producing an optimal regional news and programming offering that reflects the French-language communities we serve.

Market	Population
Montreal	3,700,000
Quebec City	1,100,000
Eastern Townships	570,000
Eastern Quebec	500,000
Ottawa/Gatineau	430,000
Mauricie	300,000
Saguenay	270,000
Abitibi-Témiscamingue	140,000

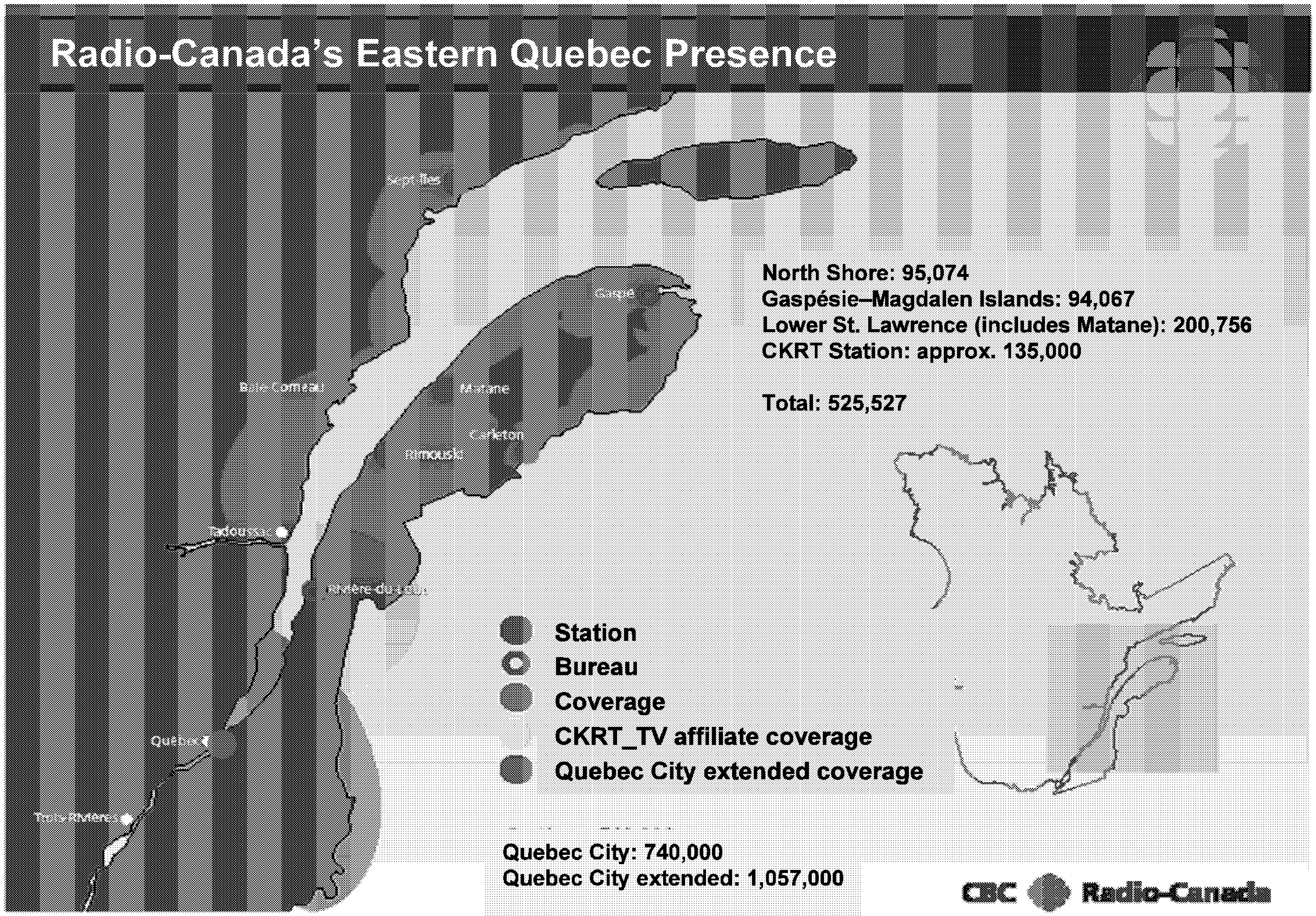
<u>Initiated/Completed</u>

s.18(b)

<u>To be completed</u>

Radio-Canada's Eastern Quebec Presence

-Background-



Eastern Quebec: Why We Must Review the Structuring of Resources

-Background-

A total of **5,204 hours of TV and radio programming is produced each year** by the Sept-Îles, Matane, Rimouski and Quebec City stations for the 500,000 francophones in Eastern Quebec.

s.18(b)

The current structuring of resources in Eastern Quebec **is not optimal because**:

A0047311_6-000210

Opportunities

-Background-

Business opportunities:

Strategic opportunities:

s.18(a)
s.18(b)

Challenges – Two Options

-Challenges-

Options	Investments Required	Cash Flows	Impact on Operating Budget	Integrated Multimedia Production Centre	HD	Regional Coordination	Increase in Regional Production (including Web)	Notes
Option 1: New building								
Option 2: Existing building								
Status quo								

s.18(a)
s.18(b)

A0047311_8-000212

Limitations of the Status Quo

-Challenges-

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•

•

•

s.18(a)
s.18(b)

Benefits:

Risks:

A Multimedia Production Centre in Eastern Quebec

-Challenges-

There are two options available to the Corporation that will enable it to fully seize the business and strategic opportunities:

s.18(b)

Two Options for Rimouski

-Challenges-

A0047311_11-000215

The Reference Model: A Multimedia Production Centre
-Challenges-

s.18(b)

A multimedia production centre in Eastern Quebec will allow Radio-Canada to:

A0047311_12-000216

Option 1 – New Building in Downtown Rimouski to House an Integrated TV/Radio/Web Production Centre *-Challenges-*

s.18(a)
s.18(b)

Benefits:

Risks:

Option 2 – Renovations to the Current Rimouski Building and Integration of TV/Radio/Web Teams *-Challenges-*

s.18(a)
s.18(b)

Benefits:

Risks:

s.18(a)
s.18(b)

Financial Summary: Required Net Investments and Operating Costs

-Challenges-

Capital Investments (000s of $)	Option 1 New Building	Option 2 Existing Building
Real estate costs (including decor)		
Technology		
Transmission		
Project management, training, and break-in period		
TOTAL		

Detailed financial data provided in the Appendices

Financial Summary:

-Challenges-

	Option 1 New building	Option 2 Existing building

Sources of funding:

Detailed financial data provided in the Appendices

s.18(a)
s.18(b)

Recommendation

-Recommendation-

s.18(a)
s.18(b)

s.21(1)(a)

Required Authorizations

-Recommendation-

1.

s.18(a)
s.18(b)
s.21(1)(a)

2.

List of Appendices

- **Appendix A: Comparative Costs – Eastern Quebec Project and Disaffiliated Stations (Sherbrooke, Trois-Rivières, Saguenay)**
- **Appendix B: Cash Flows**
- **Appendix C: Operating Budget Impacts (Both Options)**
- **Appendix D: Facilities Condition Index (FCI)**

Rimouski
A Multimedia Production Centre in Eastern Quebec

APPENDICES

RADIO | TÉLÉVISION | INTERNET

List of Appendices

- **Appendix A: Comparative Costs – Eastern Quebec Project and Disaffiliated Stations (Sherbrooke, Trois-Rivières, Saguenay)**
- **Appendix B: Cash Flows**
- **Appendix C: Operating Budget Impacts (Both Options)**
- **Appendix D: Facilities Condition Index (FCI)**

Appendix A: Comparative Costs – Eastern Quebec Project and Disaffiliated Stations (Sherbrooke, Trois-Rivières, Saguenay)

s.18(a)
s.18(b)

COMPARATIVE COSTS - EASTERN QUEBEC PROJECT VS DISAFFILIATED STATIONS
Updated August 4th 2010

s.18(a)
s.18(b)

Appendix B: Cash Flows

A0047311_23-000227

Appendix C: Operating Budget Impacts (Both Options)

s.18(a)
s.18(b)

Rimouski Project
Impact on Annual Operating Budget

Impact on Annual Operating Budget	Notes	Option 1 New Building 000$	Option 2 Existing Building 000$

A0047311_24-000228

Appendix D: Facilities Condition Index (FCI)

s.18(a)
s.18(b)

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

Schedule A

Real Estate Committee
September 20th, 2010

Subject matter

Disposal of former Brossard, Qc AM site

Background

The former Brossard, Qc AM site is now surplus to the needs of the corporation. With the conversion from AM to FM in the Montreal market, AM broadcasting at the Brossard site ceased. The site was retained in the event CBC/Radio-Canada was unable to secure a long term license of occupation on Mont-Royal. Given a new long term license of occupation is now in place for Mont-Royal and given that the land has increased substantially in value, the timing to sell the site is excellent.

CBC/R-C undertook extensive due diligence on the site prior to making the site available for sale.

A purchaser has been selected for the property. Conditions of closing include approval by the CBC Board of Directors as well as approval by Treasury Board.

The sale will net the corporation

Information on the matter

See powerpoint presentation dated Sept. 20, 2010.

For decision ■ **For information** □

Prepared by

Name: Steven Guiton, VP and Chief Regulatory Officer
Date: September 9, 2010

Management recommendation

Last discussed at the Board

Date:
Decision made:

Next steps

Anticipated project completion date: November 27, 2010

Sale of Brossard AM Site

Project Approval Recommendation for
The Real Estate Committee of the Board of Directors

Presented by
Steven Guiton
Vice-President and Chief Regulatory Officer
September 20, 2010

Real Estate Committee Decision Required

- The Real Estate Committee recommends to the Board of Directors that the Corporation be authorized to:
  - Seek Treasury Board approval for the sale of the Brossard AM site; and
  - Proceed with the Sale of the Brossard AM Site.

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

Relocation and Sale of Brossard Site

-

- The former Brossard AM sitefor our 2 main Montreal radio services was never disposed of when CBC/Radio-Canada made the conversion of those services from AM to FM.

- With the negotiation of a 15-year renewal for Mont Royal, the FM radio stand-by transmitters at Brossard can now be relocated to Mont Royal.

- The existing 16.9 hectare (1,820,428 sq.ft.) Brossard site is close to downtown Montreal in a desirable area undergoing significant residential and commercial development.

Diligence

- Phase 1 & 2 Environmental Assessments of existing site completed with no environmental concerns.
- Hazardous Materials Assessment of existing site completed with no concerns of note.
- A Species at Risk Assessment of existing site completed indicating a low probability of the presence of any species at risk.
- CBC/R-C will be demolishing all buildings on site, and will be conducting its own site decontamination.
- Aboriginal rights clearance of existing site completed with no concerns of note.
- Purchaser has 90 days to conclude its own due diligence.

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

Agreement of Purchase and Sale Key terms and conditions

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

Financial Summary

Milestones

s.18(b)

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

Risks

Alternatives

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

Draft Resolution

s.18(b)
s.21(1)(b)
s.21(1)(c)

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RESOLUTION

SALE OF BROSSARD AM TRANSMISSION SITE AND RELOCATION OF STANDBY FM TRANSMISSION SERVICES

WHEREAS:

A. CBC/Radio-Canada (the "**Corporation**") is the owner of a 1 820 428 sq ft transmission site in the City of Brossard (QC) (the "**Brossard Site**");

B. The Brossard Site is no longer used for signal transmission purposes since the migration from CBF 690 AM band to CBF-FM 95,1 FM Première Chaîne and CBM 940 AM band to CBME-FM 88,5 FM Radio One;

C. The primary transmission site for the Première Chaîne and Radio One is located atop Mount Royal in the heart of Montreal (the "**Mount Royal Site**");

D. Presently, the Brossard Site is used only for standby transmission services for Première Chaîne, Espace Musique, Radio One and Radio Two;

E. The standby transmission services can be relocated to the Mount Royal Site without any diminution in signal quality or coverage, thereby enabling the disposition of the Brossard Site to generate a net financial gain for the Corporation;

F. Management has determined that it is in the best interests of the Corporation to relocate the stand-by transmission services and to dispose of the Brossard Site to realize the financial gain;

G. The relocation project involves the relocation of standby services to the Mount Royal Site, and the decommissioning and sale of the Brossard Site, with a project timeline of approximately 4 months;

H. Under the *Broadcasting Act*, the approval of the Governor-in-Council is required to authorize the Corporation to sell the Brossard Site.

IT IS RESOLVED THAT:

(Approving Project) The Corporation be and is hereby authorized to proceed with the sale of the Brossard Site (the "**Project**"), including the decommissioning of the Brossard Site and its disposition (the "**Transactions**"), subject to the following conditions:

(a) the approval of the Governor in Council; and

(b) the Corporation not being otherwise prevented from retaining for its own corporate use the proceeds of disposition of the sale of the Brossard Site

(the "**Conditions**");

(Approving the negotiation of the Transaction Documents) The Corporation be and is hereby authorized to negotiate and eventually enter into all the required ancillary documents in order to give effect to the Transactions (hereafter the "**Transaction Documents**"), subject only to the Conditions and any other reasonable terms and conditions reasonably agreed to by the Corporation and the Purchaser.

(Approving the signing of Treasury Board Submission and Transaction Documents) Either the President and CEO, or the Vice President and Chief Regulatory Officer, together with the Vice President and Chief Financial Officer or their respective delegates, for and on behalf of the Corporation be and are hereby authorized to (i) sign and execute on behalf of the Corporation the Transaction Documents (ii) sign and file any Treasury Board submission to obtain the required Order in Council and (iii) if required, to sign and file any Treasury Board application to obtain the permission to retain the proceeds of the sale for its own Corporate use and beyond any carry-over provision typically allowed annually to the Corporation by Treasury Board policies.

(Further authority) Any one of the Vice President and Chief Regulatory Officer, the Vice President and Chief Financial Officer or the Vice-President, Real Estate, Legal Services and General Counsel, or their respective delegates are hereby authorized for and on behalf of the Corporation to take any and all action, to do all things, to execute under the corporate seal of the Corporation or otherwise such instruments and documents and to deliver all instruments, documents and materials as are necessary or desirable or convenient and proper to give effect to the foregoing resolutions.

Schedule A

Board of Directors

(September 20-21-22)

Subject matter

Report on CBC/Radio-Canada's 75th Anniversary Plans

Background

CBC/Radio-Canada will be celebrating their 75th anniversary in 2011. The Chair of the Board of Directors asked for a brief update on the 75th anniversary plans.

With the change in leadership at English Services, Kirstine wisely temporarily froze the English Services plan to be revisited. As a result, we have included only a high level sampling of the activity planned in the presentation attached. There is much more detail behind it.

Kirstine expects to be in a position by the Board next week to have done a first pass through the projects and will be happy to sketch it out for the Board. So at the meeting, we'll review the presentation then ask Kirstine and Sylvain to say a few words about the media Line plans.

See attached briefing.

Information on the matter

N/A

For decision ☐ **For information** ☒ X

Prepared by

Name: Bill Chambers, Sylvain Lafrance, Kirstine Stewart
Date: September 13, 2010

Management recommendation

N/A

Last discussed at the Board

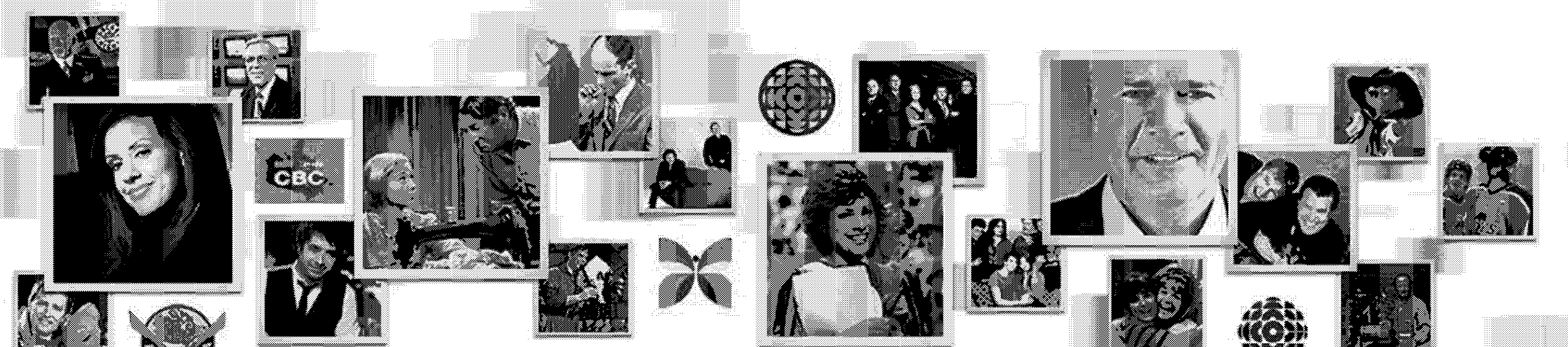
Date:
Decision made:

Next steps

N/A

Anticipated project completion date: ______________
(If contract, indicate date of expiry): ______________

CBC/Radio-Canada's 75th Anniversary



Presentation to the Board of Directors

September 22, 2010

Key objectives

- To increase Canadians' awareness of the importance of public broadcasting in Canada, and to promote the contribution of the public broadcaster to the social, cultural and democratic lives of Canadians.

- To increase all employees and Canadians' sense of belonging to CBC/Radio-Canada.

- To demonstrate the relevance of CBC/Radio-Canada's services, and the Corporation's ongoing renewal.

- To enhance CBC/Radio-Canada's brand image.

- To engage Canadians in the lead-up to the public broadcaster's 75th anniversary celebrations by offering high-profile special multiplatform programming, and organizing notable events in the community.

Positioning of the celebrations

- Special multiplatform programming and activities to be conducted in-house, in the community and at CBC/Radio-Canada facilities in all parts of Canada.
- Highlight the public broadcaster's contribution over the past 75 years, though without lapsing into nostalgia.
- Celebrations to help Canadians gain a better understanding of the Corporation's unique and pivotal role in Canada's democratic and cultural development, both today and into tomorrow.
- Events and activities will be geared to all Canadians.We want to encourage them to reflect on the role CBC/Radio-Canada has played, is playing and will continue to play in their individual, family, community, regional and national lives.

Length of celebrations

- Launch on November 2, 2010: news release (theme/slogan/logo; announcement of main confirmed initiatives), Hubert's video for staff. Other activities to be confirmed.

- Activities featured most prominently during a 75-day period: from August 22 to November 4, 2011.

- Special multiplatform programming, community and public relations activities (general public and key stakeholders).

Target audiences

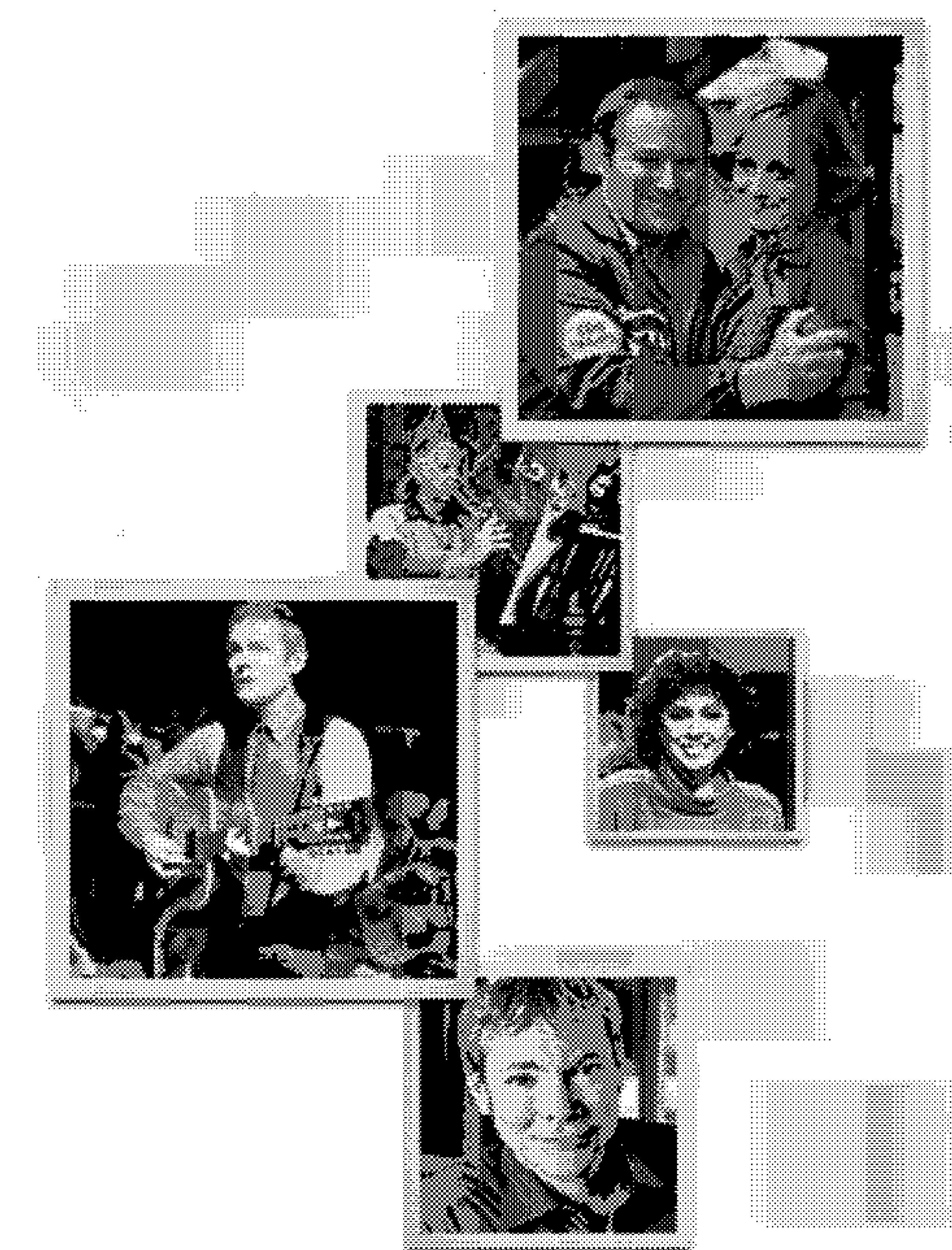
- CBC/Radio-Canada employees
- Board members and Senior Executive Team
- Unions
- Canadian public
- Key-decision makers
- Industry leaders
- Media

Theme

- For 75 years, CBC/Radio-Canada has been at the centre of the democratic, social and cultural life of Canada. There is much to celebrate. Throughout its history, Canada's public broadcaster has contributed to the nation's identity in broadcasting the diverse stories of the people of this great country. Always an innovator, today CBC/Radio-Canada gives us all an opportunity, in an ever-changing media environment, to share our own experiences in brand new ways. Together, we can be inspired by the possibilities of where the future can take us.

Slogan

- Directly tied into the theme. Will always be used alongside the Corporation's logo.
- Can be used in English only, in French only, or in a bilingual manner.
- Clear message about what the public broadcaster is and what we do.



Yours to celebrate / Un monde à célébrer

- As a public broadcaster, the term *Yours* is a clear, active call to action to our audiences, stakeholders and the citizens of Canada for now and the future.
- Multiple meanings of the term *monde*: the planet, diversity, our country, public broadcasting, CBC/Radio-Canada.
- A slogan that Canadians as well as employees can make their own.
- A dual invitation to celebrate what we have accomplished over the past 75 years as well as what we will achieve in the future.

Logo

- Identity that captures the spirit of the past 75 years of CBC/Radio-Canada.
- Contemporary yet accessible and fun celebration of the 75th; this identity can be used across media.
- Design that utilizes the gem shapes and previous colours to make up 75.

YOURS TO CELEBRATE
UN MONDE À CÉLÉBRER

Logo

- Monochrome and negative versions.

YOURS TO CELEBRATE
UN MONDE À CÉLÉBRER

YOURS TO CELEBRATE
UN MONDE À CÉLÉBRER

YOURS TO CELEBRATE
UN MONDE À CÉLÉBRER

YOURS TO CELEBRATE
UN MONDE À CÉLÉBRER

Corporate projects and initiatives

- Dedicated website with interactivity, contests, testimonials, etc.
- Staff activities
- Partnerships with private and public sectors.
- Testimonials / Commemorative "vignettes"
- Museum exhibits
- Conference on public broadcasting
- Merchandising (Merchandising Division)
- Promotion and advertising

Joint CBC/Radio-Canada projects

- Television broadcast of *The People's Network* (documentary).
- Radio broadcast of a concert series produced in different Canadian locations.
- Web project – time line.
- Open houses of our facilities across the country.

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Other initiatives (networks)

- Special programming on all of CBC/Radio-Canada's TV/Radio/Web platforms

- Transcultural programming

- *Nos témoins sur la ligne de feu*

  A five-hour series profiling journalists who report from abroad: interviews, personal accounts of historic events in the field, plus sound bites from the archives.
  (Première Chaîne, Radio de Radio-Canada)

- *Grand relais musical*

  This 14-hour special, which will pass the baton from region to region, is slated to air on November 2, 2011.
  (Espace musique, Radio de Radio-Canada)

Other initiatives (networks)

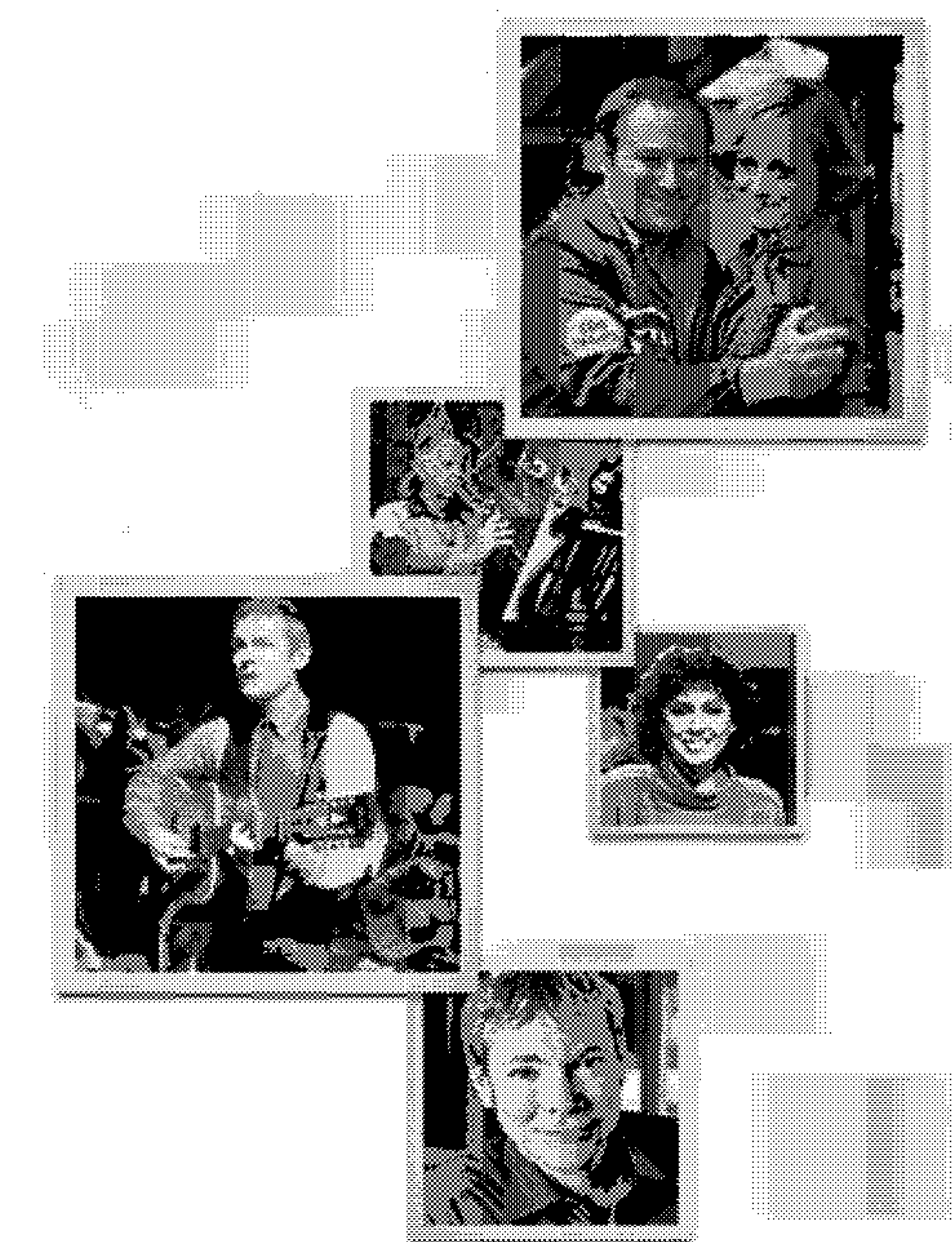
- *75 ans et toujours jeune*

  A complete retrospective via five themed TV documentaries. (Télévision de Radio-Canada)

- Site web : Radio-Canada.ca/75e

  Group together and showcase all projects by the various media lines. Design a multi-layered timeline allowing for coverage of all facets of a given topic. Mobile content offering. Touch screens across all regions featuring testimonials from Canadians. (Internet and Digital Services)

- Diverse projects in development at CBC, pending Kirstine Stewart's review and approval.



A0047319_14-000256

Board of Directors

October 21, 2010

Subject matter

Appointment of new CBC Ombudsman – Kirk LaPointe

Background

Vince Carlin, the current CBC Ombudsman', will be completing his mandate on December 31, 2010, with the CBC.

A selection process was undertaken in the summer 2010 to find his replacement and a finalist (Kirk LaPointe) has been identified to transition and succeed Vince beginning November 1st, 2010.

Information on the matter

See attached document – Kirk LaPointe's profile

For decision:	☐	**For information:**	X

Prepared by

Name: **Katya Laviolette**, Vice-president, People and Culture

Date: October 13, 2010

Recommendation

We have been actively engaged in recruiting for this position since July 2010.

As part of the selection process, we reviewed over 30 potential, external and internal, candidates. We then short-listed three candidates who met with an interview panel comprised of

s.19(1)

The panel recommended Kirk LaPointe as the finalist. He was interviewed in Toronto by Hubert T. Lacroix and Katya Laviolette on September 9, 2010. Following references, an offer was extended and accepted on October 7, 2010.

Kirk LaPointe will be based out of our Vancouver office and will ensure an orderly transition from Vince Carlin in the months of November and December 2010.

Kirk LaPointe was previously the Managing Editor of the Vancouver Sun, in addition to being an adjunct professor with the Graduate School of Journalism with the University of British Columbia (see attached profile). He holds a Bachelor of Arts in Journalism from Ryerson University. Kirk brings to the position a wealth of knowledge in the news and journalism arena with a strong focus on emerging technologies and the impact they have in the media industry and journalism, in particular.

Kirk will be present to meet with you on November 16/17 in Ottawa, when both Julie Miville-Dechêne and Vince Carlin provide their annual reports.

Last discussed at the Board

Date:	N/A
Decision made:	N/A

Next steps

– Issue announcement on October 21, 2010

– Kirk LaPointe to commence transition with Vince Carlin, effective November 1st, 2010

Pages 259 to / à 262

are withheld pursuant to section

sont retenues en vertu de l'article

19(1)

of the Access to Information Act

de la Loi de l’accès à l’information

378th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Toronto, Ontario – November 16 – 17, 2010

Tuesday, November 16, 2010

ITEM	START TIME	LED BY	MOTION REQUIRED	DOCUMENT
1. In Camera with President and CEO	12:30	ALL		
2. Approval of minutes of the September 21-22, 2010 meeting and of the conference call meeting of October 21, 2010	13:00	Tim Casgrain	YES	YES
3. Matters arising from previous meetings				
4. Chair's Report		Tim Casgrain		
5. President's Report		Hubert T. Lacroix		
6. Strategic Planning Committee Report		Peter Charbonneau	YES	YES
Adjournment	17:30			
Wednesday, November 17, 2010				
7. Audit Committee Report	9:00	Peter Charbonneau		
a. Recommendation re Nominations to Pension Board of Trustees for 2011			YES	YES
b. Amendment to the Pension Plan Trust Deed			YES	YES
c. IFRS Accounting Policy Decisions			YES	YES
8. Update on 75th Anniversary Plans		Bill Chambers Francine Letourneau		
9. Update on Business Transaction		Michel Tremblay		YES
10. Update on Employee Engagement Survey		Katya Laviolette		YES
11. Update on Litigation		Maryse Bertrand		YES
12. Strategic Planning Committee Report follow-up (if needed)		Peter Charbonneau		
Working Lunch - Update on News		Sylvain Lafrance Kirstine Stewart		
Next meeting – January 18-19, 2011 – Montreal, QC				
Conclude	14:00			

UPDATES/INFORMATION

a) Summary of Government Funding (10 year operating & capital) – Suzanne Morris
b) Labour Relations Update – Katya Laviolette
c) Workforce Distribution – Katya Laviolette
d) 2010-2011 Quarterly Management Financial Report – 2nd Quarter – Suzanne Morris
e) Update re Risk Management – Suzanne Morris
f) Update on the Transition to Digital Transmission – Steven Guiton
g) Guidelines for Referrals to Board Committees – Maryse Bertrand

Board of Directors

November 16, 2010

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at October 26, 2010. The approved reference levels for 2011-2012 and beyond are also provided.

Information on the matter

See attached.

For information ☒ X

Prepared by

Name:	Suzanne Morris
Date:	Oct 26, 2010

Management recommendation

Not required.

Last discussed at the Board

Date:	September 21, 2010
Decision made:	N/A

Next steps

Not required.

Anticipated project completion date: ____________
(If contract, indicate date of expiry): ____________

CBC'S PARLIAMENTARY APPROPRIATIONS
($ Thousands)

										Current	Forecast		
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Operating Appropriation (Note 1)	853,074	861,744	862,460	914,197	955,410	955,722	955,731	1,009,121	1,002,668	1,002,668	1,002,668	1,002,668	1,002,668
One-time funding adjustments:													
Transfer from Capital appropriation			3,636	1,112	9,277	9,277	9,277	9,276	9,276				
Transfer to Capital appropriation	(15,170)	(7,459)	(40,921)	(10,538)	(8,456)	(42,676)	(27,344)	(13,622)	(34,874)	(9,233)	(9,941)	(10,704)	(11,525)
Funding to strengthen & revitalize programs	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
Transfers from Cdn. Heritage (CCOL)	2,500	2,120	2,000	2,000		2,000	1,900	2,000					
Reprofiling	(60,000)	20,000	40,000	(20,000)				20,000					
Cost increases for 2002 Canada Day		1,027											
Funding for RCI (Note 2)			15,520										
Expenditure Review Reduction (Budget 2003)			(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Expenditure Review Reduction (Budget 2007)								(6,638)	(9,483)	(11,854)	(14,680)	(14,680)	(14,680)
Total Operating Appropriation	840,404	937,432	932,695	936,771	1,006,231	974,323	989,564	1,070,137	1,017,587	1,031,581	968,047	967,284	966,463
Capital Appropriation	100,311	97,631	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331	92,331
One-time funding adjustments:													
Transfer to Operating appropriation			(3,636)	(1,112)	(9,277)	(9,277)	(9,277)	(9,276)	(9,276)				
Transfer from Operating appropriation	15,170	7,459	40,921	10,538	8,456	42,676	27,344	13,622	34,874	9,233	9,941	10,704	11,525
Reprofiling of vote from 00/01 to 01/02	23,000												
Reprofiling of vote from 04/05 to 05/06				(6,000)	6,000								
Reprofiling of vote from 05/06 to 06/07					(10,000)	10,000							
Total Capital Appropriation	138,481	105,090	129,616	95,757	87,510	135,730	110,398	96,677	117,929	101,564	102,272	103,035	103,856
Working Capital Appropriation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL APPROPRIATION	982,885	1,046,522	1,066,311	1,036,528	1,097,741	1,114,053	1,103,962	1,170,814	1,139,516	1,137,145	1,074,319	1,074,319	1,074,319
Less Reprofiling Decision (Capital)	**(23,000)**			**6,000**	**4,000**	**(10,000)**							
Less Reprofiling Decision (Operating)	**60,000**	**(20,000)**	**(40,000)**	**20,000**				**(20,000)**					
TOTAL APPROPRIATION AVAILABLE FOR REGULAR OPERATIONS	1,019,885	1,026,522	1,026,311	1,062,528	1,101,741	1,104,053	1,103,962	1,150,814	1,139,516	1,137,145	1,074,319	1,074,319	1,074,319

Note 1 The operating appropriation includes retroactive and in-year salary funding adjustments up to and including 2009/10. The effect of Cost Containment Measures in Budget 2010 is that organizations will not be funded for increases in wages and salaries arising from future collective agreements for 2010/11 through 2012/13.

Note 2 Funding for RCI was previously provided through a contribution agreement with Canadian Heritage. Starting in 2003-04, funding forms part of CBC's appropriation and is shown in the base appropriation in 2004-05 and future years.

Board of Directors
November 16 & 17, 2010

Subject matter

Industrial Relations Update

Background

This is a standing item on the Board of Directors' agenda providing the status of CBC / Radio-Canada's collective agreements.

Information on the matter

Not applicable

For decision:	☐	**For information:**	X

Prepared by

Name:	**Katya Laviolette**, Vice-president, People and Culture
Date:	October 25, 2010

Recommendation

Not applicable

Last discussed at the Board

Date:	**September 21 & 22, 2010**
Decision made:	

Next steps

A0047323_1-000266

Industrial Relations Update for the Board of Directors' Meeting
November 16 & 17, 2010

AGREEMENTS PRESENTLY BEING NEGOTIATED

UNION	Effective Date	# of Members	Central Issues
FRENCH FILE			
UDA (Union des artistes)	**Nov. 14, 2005 – Nov. 13, 2009**	**N/A**	Notice to bargain was received on February 15, 2010. The key issues are original production, residuals and commercial use of material on emerging platforms. **Since mid-August, bargaining sessions have gone as planned. Negotiations are moving forward in a positive manner. We should be broaching monetary clauses near the end of October.**
SCFP (Syndicat canadien de la fonction publique)	**Oct. 1, 2007 – Sept. 26, 2010**	**597**	The notice to bargain for renewing the SRC/SCFP collective agreement was received on June 29, 2010. The existing agreement expired on September 26. The mandate for these negotiations was approved at the last Board meeting. **Meetings began in September with additional sessions planned for the week of November 22.**
SARTEC (Société des auteurs de la radio, de la télévision et du cinéma)	**July 10, 2006 – July 9, 2010**	**N/A**	The notice to bargain was received on March 15, 2010. The current collective agreement expired on July 9, 2010. The mandate for these negotiations was approved at the May 2010 Board meeting. The key issues will be residual rights and original production on the Web; the posting of programs for catch-up online; and advance payments in commercial markets. **To date, three meetings have been held, the first on August 31, 2010. Bargaining sessions are planned for October and November: there will be one half-day or full-day sessions each week. Given the importance of issues related to a new business model, we hope to reach an agreement by the end of 2010.**
ENGLISH FILE			

UNION	Effective Date	# of Members	Central Issues
WGC (Writers Guild of Canada) **<u>Television and Radio Agreement</u>**	**Sept. 1, 1998 – August 31, 2000**	**N/A**	Agreements were to expire August 31, 2000. Parties agreed to extend until further notice. Notice to bargain has not been given by either side. An agreement was reached with the WGC for internet and digital rights for use of material that was originally produced by CBC under the WGC Radio and Television Agreements. Terms reached were within agreed mandate of 15% step-up. In addition, rights for use of material created under the WGC Radio Agreement for distribution on Sirius Satellite Radio has been agreed to within mandate. However, the WGC has advised that it is not in a position to agree to terms for original production for the internet, but will negotiate terms on a case by case basis – which is what the WGC currently does with independent producers.
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United Sates and Canada) (Stagehands)	**No agreement since 1994**	**N/A**	IATSE has requested that the CBC meet with them to renegotiate the collective agreement which has not been updated for at least 15 years. Internal discussions need to occur with appropriate individuals and affected departments at the CBC to determine if we renegotiate or just accept house agreements and, if we renegotiate, what we wish to obtain from those negotiations? Discussions are continuing with management and with IATSE.
NATIONAL FILE			
AFM (The American Federation of Musicians of the United States and Canada)	**April 1, 2006 – March 31, 2010**	**N/A**	The AFM and CBC/SRC have agreed to extend the Agreement(s) for 6 months, and agreed to an increase of 1%. The parties will be negotiating during this period to reach terms and conditions. The rates should be adjusted effective April 1st. The extension is for the period April 1, 2010 through to September 30, 2010. The primary focus for this negotiation will be a re-design of the agreements, mindful of the changes in the business as content providers rather than platform driven. **The Agreement(s) were previously extended for 6 months. It is likely the Union will seek to extend an additional 6 months to the agreed mandate of one year and 1.5%.** **Negotiations continue.**

UNION	Effective Date	# of Members	Central Issues
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	**July 1, 2005 – June 30, 2010**	**N/A**	CBC has received notice to bargain from ACTRA. The Agreement(s) expired June 30, 2010. The Board approved in May 2010 a mandate for renewal (two year duration) with a rate increase of 1.5% per year. Discussion are ongoing. Due to the very low expenditures and the extensive negotiations for the last renewal, ACTRA is not interested in lengthy bargaining. ACTRA's settlements within the industry have been 2% (two and three year terms) namely with the Independent Producers and the National Film Board. CBC is seeking a one-year agreement whilst we continue negotiations for a single agreement with AFM and develop the "Music Strategy". Both of these points will fundamentally impact how we contract and will require a major re-write of the ACTRA agreements. The parties are at an impasse. ACTRA is aggressively pursuing a 2.0% rate increase for the renewal and has indicated that it has no intention on settling for anything less. The financial impact of the 0.5% difference is approximately $5,000 based on current expenditures of $750,000 a year. The negotiation options currently being considered are the following: a) Hold firm as per the mandate of the Board (<u>Recommended course of action</u>) This approach could lead to adverse behaviour and actions by Stephen Waddell, ACTRA's Exective Director, a well known and highly active person within the political arena. He is a major supporter and promoter of the CBC. There is also a possibility that ACTRA could apply pressure tactics. As CBC's expenditures with ACTRA are extremely low, the pressure is most likely to come in the form of negative press rather than a withholding of services. b) Increase the rates from 1.5% to 2.0% (and reduce the term to one year) in an effort to achieve a quick settlement There are considerations of "optics" associated with this approach. Negotiations with SCFP in French Services are beginning in September 2010 and we are facing wage re-opener clauses with both the CMG and STARF in the spring of 2011. Increasing rates to 2.0% might signal a willingness to move to a higher rate with other unions. In addition, we are currently in negotiations with other talent unions (i.e. UDA, AFM and SARTEC) for which CBC/Radio-Canada has much higher levels of expenditure. **Negotiations continue.**

NEGOTIATED COLLECTIVE AGREEMENTS

UNION		Effective Dates of Collective Agreement	Number of Members **
NATIONAL FILE			
APS	Association of Professionals and Supervisors	July 1, 2008 – June 30, 2013	740
AFM	The American Federation of Musicians of the United States and Canada (AFM)	April 1, 2006 – March 31, 2010	N/A
ENGLISH FILE			
CMG	Canadian Media Guild	April 1, 2009 – March 31, 2014	4,656
ACTRA	Alliance of Canadian Cinema, Television and Radio Artists (Performers)	July 1, 2005 – June 30, 2010	N/A
FRENCH FILE			
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006 – March 29, 2009	1,537
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 1, 2009 – March 31, 2012	1,259
UDA	Union des artistes	November 14, 2005 – November 13, 2009	N/A
SARTEC	Société des auteurs de la radio, de la télévision et du cinéma	July 10, 2006 – July 9, 2010	N/A
SPACQ	Société professionnelle des auteurs et des compositeurs du Québec	January 8, 2007 – January 7, 2011	N/A
AR	Association des réalisateurs	October 1, 2007 – December 11, 2011	343
SCFP	Syndicat canadien de la fonction publique	October 1, 2007 – September 26, 2010	612

*** Number of members revised as of September 26, 2010*

Board of Directors
November 16-17, 2010

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by:

- media component with a comparison to beginning fiscal year;
- geographic location (map of Canada)

Information on the matter

Attached

For decision:	☐	**For information:**	X

Prepared by

Name: **Katya Laviolette**, Vice-president, People and Culture

Date: October 18, 2010

Recommendation

Not applicable

Last discussed at the Board

Date: **September 21-22, 2010**

Decision made:

Next steps

Conseil d’administration

Les 16 et 17 novembre 2010

Sujet

Information sur la main-d’oeuvre

Contexte

Les documents en annexe présentent la main-d’oeuvre totale exprimée en équivalent à temps plein (ETP) et ventilée par:

- composante média (avec une comparaison par rapport au début de l’exercice);
- lieu géographique (carte du Canada).

Renseignements connexes

Voir document joint.

Pour décision: ☐ **Pour information:** X

Préparé par

Nom: **Katya Laviolette**, vice-présidente, Personnes et Culture

Date: Le 18 octobre 2010

Recommandation

Sans objet.

Dernière discussion au Conseil

Date: **Les 21 et 22 septembre 2010**

Décision prise:

Prochaines étapes

TOTAL WORKFORCE / EFFECTIF TOTAL
Full Time Equivalent / Équivalent temps plein

Month / Mois : September / septembre 2010
(Sept 26, 2010 / Le 26 septembre 2010)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL *	TOTAL Begin. FYR 2010/11 Début de l'exercice 2010/11 **	Variance Écart
English Services/ Services anglais	3 280	102	351	422	4 155	4 212	-57
French Services/ Services français	2 972	292	462	724	4 451	4 246	205
Corporate/ National	878	33	118	6	1 035	1 127	-91
TOTAL	**7 130**	**427**	**930**	**1 153**	**9 641** *	**9 584** **	**56**

* 9,641 FTE/EPT = 10,475 head count / effectifs réels.
** March 28, 2010: 9,584 FTE/EPT = 10,336 head count / effectifs réels.

Notes:
(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.
(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /
L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.
(d) Includes casual + short term contract. FTE is based on the total days worked over a four week period. /
Comprend les occasionnels et les contractuels courte durée. L'EPT est basé sur le total des jours travaillés durant une période de quatre semaines.

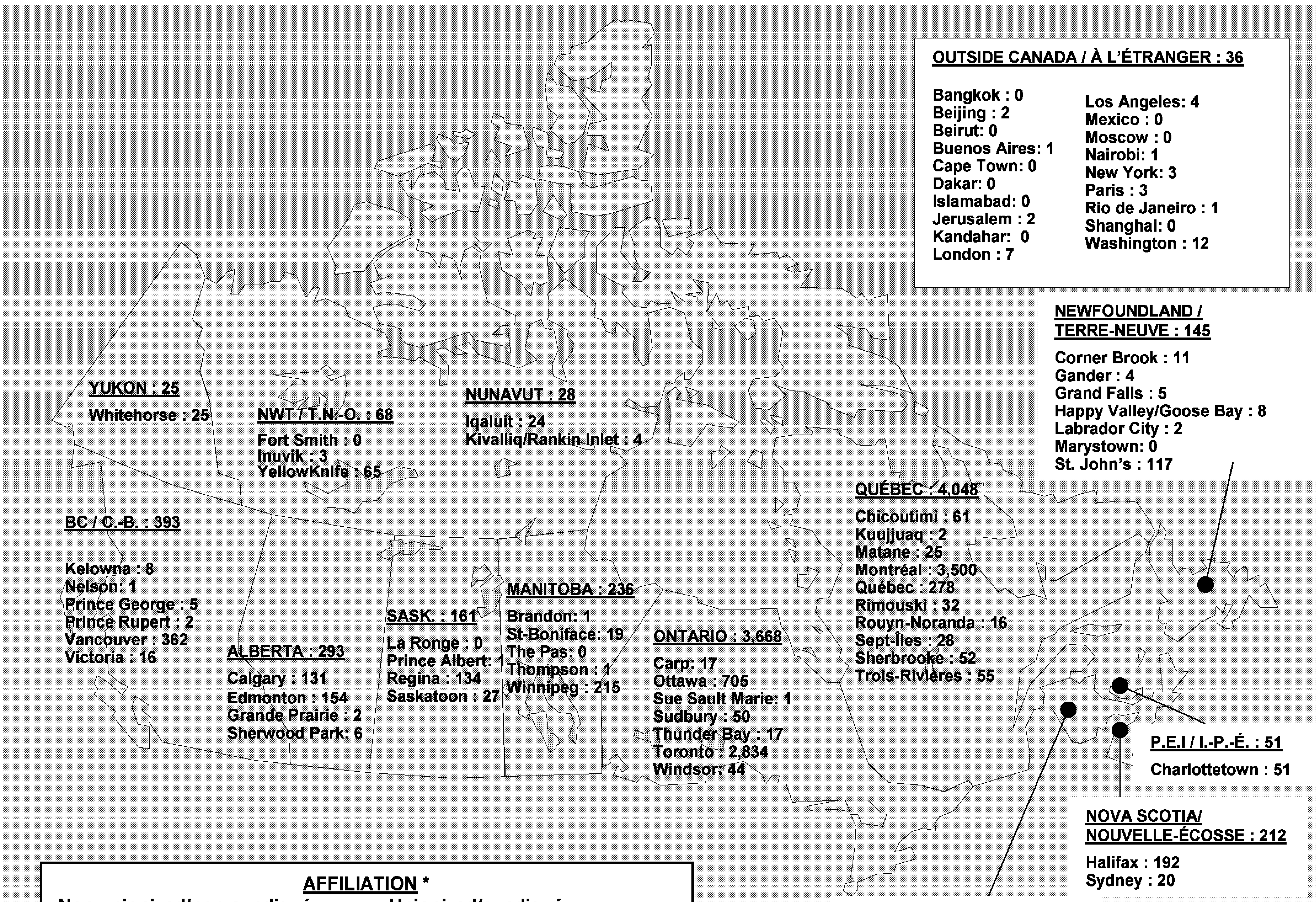
The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

Prepared by: Shared Services / Corporate Reporting.

CBC/Radio-Canada Map / Carte

Full Time Equivalent / Équivalent temps plein

Sept 2010 / septembre 2010



AFFILIATION *

Non-unionized/non-syndiqué:		**Unionized/syndiqué:**	
Unaffiliated:	19	APS:	732
Executives:	54	CMG:	4162
MS:	1073	SCRC:	1399
Confidential:	175	STARF:	1139
SUBTOTAL:	1,320 (14%)	SCFP:	566
		AR:	322
		SUBTOTAL	8,320 (86%)
GRAND TOTAL:	9,641		

Total FTE/ETP 9,641 = Head count / effectifs réels 10,475

* The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

Shared Services / Services partagés

A0047324_4-000274

Board of Directors
(November 10, 2010)

Subject matter

2010/2011 Quarterly Financial Management Report (Unaudited) – Second quarter results.

Background

N/A

Information on the matter

See attached.

For decision **For information X**

Prepared by

Name: Christopher Flann and Michael Mooney
Date: October 29, 2010

Management recommendation

N/A

Last discussed at the Board

Date: September 15, 2010
Decision made: Reviewed 2010/2011 Quarterly Financial Management Report - June 2010 results.

Next steps

Third quarter results will be presented on February 23, 2011.

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CBC Radio-Canada

2010/2011
QUARTERLY FINANCIAL MANAGEMENT REPORT
For the period of six months ended September 30, 2010

November 10, 2010

Confidential for Internal Purposes

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TABLE OF CONTENTS

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QUARTERLY FINANCIAL MANAGEMENT REPORT

For the period of six months ended September 30, 2010 and 2009

Financial Reporting Basis

CBC/Radio-Canada prepares its financial results using two different accounting approaches.

The Broadcasting Act requires CBC/Radio-Canada to submit Annual Reports to the Minister of Canadian Heritage containing audited consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

In addition, for management purposes, CBC/Radio-Canada reports its financial results on a budget basis, which differs from GAAP. Certain non-cash items such as accrued pension plan expenses and other employee future benefits and amortisation are not recognised on a budget basis.

Financial Review and Analysis Content

The review and analysis of CBC/Radio-Canada's financial results for the first six months ended September 30, 2010 and 2009 is presented in accordance with GAAP and on a budget basis.

Financial statements prepared on a GAAP basis are presented for the period ended September 30, 2010 and compared to the results for the same period in 2009/2010. Significant changes in Balance Sheet and Statement of Operations results between the periods are also explained starting on page 5.

These financial statements are unaudited and do not include full note disclosure. They should be read in conjunction with the 2009/2010 audited consolidated financial statements, which provide full note disclosure in accordance with GAAP.

This report also presents and analyses segmented results of operations for the six months ended September 30, 2010, compared to the year-to-date budget, to the year-to-date results for the same period in 2009/2010 and the quarter over quarter comparison on a budget basis. Segmented results are presented for English and French media services, Media-Related and Support Activities. Year-end forecasts are also included in this quarterly financial report.

In addition, an overview of the capital budget and cash forecast is presented for the six months ended September 30, 2010.

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FINANCIAL STATEMENTS- GAAP BASIS

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Unaudited

Consolidated Balance Sheet

As at September 30

(in $000's)

	2010	2009
ASSETS		
Current		
Cash and cash equivalents	121,258	141,808
Accounts receivable	152,321	112,994
Programming	251,889	264,428
Merchandising inventory	1,584	5,202
Prepaid expenses	92,636	41,827
Net investment in sales-type leases	-	2,124
Derivative financial instruments	-	525
	619,688	**568,908**
Long-term		
Property and equipment	941,711	966,415
Long-term receivables	11,794	56,219
Net investment in sales-type leases	-	59,889
Deferred charges	2,077	1,838
Long-term investments	17	6,565
	1,575,287	1,659,834
LIABILITIES		
Current		
Accounts payable and accrued liabilities	110,056	120,931
Pension plans and employee-related liabilities	110,078	111,923
Bonds payable	19,429	19,025
Financial guarantee	10,115	-
Financial liability related to the monetisation of receivables	9,895	-
Deferred revenues	1,532	8,501
Derivative financial instruments	55	263
Deferred operating vote drawdown	61,943	112,894
	323,103	**373,537**
Long-term		
Long-term investments	1,417	1,417
Deferred revenues	2,315	6,424
Pension plans and employee-related liabilities	412,732	393,974
Bonds payable	304,300	313,880
Financial liability related to the monetisation of receivables	10,221	-
Deferred capital funding	623,821	631,024
	1,354,806	**1,346,719**
Minority interests	**2,000**	**269**
EQUITY		
Retained earnings (deficit)	(104,622)	(60,691)
	(104,622)	**(60,691)**
	1,575,287	1,659,834

Commitments and contingencies (notes 5 and 6)

The accompanying notes form an integral part of the consolidated financial statements.

BALANCE SHEET
As at September 30
(thousands of dollars)

ASSETS

	2010	2009	Variance	%
Cash and cash equivalents	121,258	141,808	(20,550)	(14.5%)

Cash and cash equivalents decreased by $20.6 million due to a number of changes in cash inflows and outflows. These are explained in the analysis on page 20.

	2010	2009	Variance	%
Accounts receivable	152,321	112,994	39,327	34.8%

Accounts receivable increased by $39.3 million mainly due to a higher level of advertising sales in 2010 and delays in payments. The accounts receivable aging is provided on page 21.

	2010	2009	Variance	%
Programming	251,889	264,428	(12,539)	(4.7%)

Programming assets decreased by $12.5 million mainly due to a lower level of procured programs and films rights. Additional information is available on page 22.

	2010	2009	Variance	%
Merchandising inventory	1,584	5,202	(3,618)	(69.6%)

s.18(a)
s.18(b)

s.18(a)
s.18(b)

	2010	2009	Variance	%
Prepaid expenses	92,636	41,827	50,809	121.5%

	2010	2009	Variance	%
Long-term receivables	11,794	56,219	(44,425)	(79.0%)

Long-term receivables decreased by $44.4 million due to the sale of the Ontrea notes receivable to the CBC Monetization Trust in 2009-2010.

	2010	2009	Variance	%
Net investment in sales-type leases [long-term]	-	59,889	(59,889)	(100.0%)

The **net investment in sales-type leases [long-term]** was eliminated following the concurrent lease agreement with the CBC Monetization Trust (Ontrea transaction) in 2009-2010.

	2010	2009	Variance	%
Long-term investments	17	6,565	(6,548)	(99.7%)

The decrease in long-term investments is due to a change in accounting for ARTV following the acquisition of 2,750,000 additional shares in ARTV from Télé-Québec in July 2010. With this transaction, the Corporation now owns 85 per cent of ARTV. The Corporation concluded that following this acquisition, it now controls ARTV and accordingly, ARTV has been consolidated in the Corporation's books of account. ARTV was previously accounted for using the equity method.

LIABILITIES

	2010	2009	Variance	%
Accounts payable and accrued liabilities	110,056	120,931	(10,875)	(9.0%)

The decrease of $10.9 million in **accounts payable and accrued liabilities** is mainly due to the settlement of Montreal taxes in May 2010 and a decrease in the estimates for the taxes for the municipalities of Toronto, Winnipeg and Vancouver. This decrease has been partially offset by increased copyright accruals.

	2010	2009	Variance	%
Financial guarantee	10,115	-	10,115	n/a

The **financial guarantee** relates to the sale of receivables to the Monetisation Trust. The Corporation provided an absolute and unconditional guarantee for the full and timely payment of receivables by the ultimate debtors.

	2010	2009	Variance	%
Financial liability related to the monetisation of receivables [current and long-term]	20,116	-	20,116	n/a

Financial liability related to the monetisation of receivables [current and long-term] relates to the Galaxie receivables, and is attributable to the transfer of receivables to an unrelated third party as part of the Corporations' Financial Recovery Plan in 2009-2010. The Corporation was entitled to receive certain payments as a result of the sale of Galaxie service. In September 2009, the Corporation entered into a transaction with a third party to monetise the outstanding receivables. Since the transaction does not meet all of the conditions to be recorded as a sale of receivables under GAAP, the Corporation continues to carry the transferred receivables on its Consolidated Balance Sheet and has recognised a financial liability for the amount of consideration received.

	2010	2009	Variance	%
Deferred revenues [current and long-term]	3,847	14,925	(11,078)	(74.2%)

The decrease of $11.1 million in **deferred revenues [current and long-term]** is explained by deferred revenues related to the sale of Galaxie included in the September 2009 results, which were fully recognised by October 2009. The revenues associated with BDU contracts not yet transferred to Stingray were deferred and amortised over the remaining terms of the contracts. The revenues were fully recognised by October 2009, date the last BDU contract was transferred to Stingray.

	2010	2009	Variance	%
Deferred operating vote drawdown	61,943	112,894	(50,951)	(45.1%)

Deferred operating vote drawdown represents the difference between the operating appropriation drawdown during the period for cash flow purposes and the operating appropriation recognised as revenue based on planned expenditures. The decrease in deferred operating vote drawdown is explained by higher operating appropriation drawdowns done in 2009 due to higher cash requirements resulting from lower commercial revenues and increased severance payments in 2009.

	2010	2009	Variance	%
Pension plans and employee-related liabilities [long-term]	412,732	393,974	18,758	4.8%

Pension plans and employee-related liabilities [long-term] increased by $18.8 million as a result of an increase in amortisation of actuarial losses partially offset by a change in discount rates from 5.25% to 5.75%.

Unaudited

Consolidated Statement of Operations

For the six months ended September 30

(in $000's)

	2010	2009
Revenues		
Advertising	158,765	125,867
Specialty Services	69,694	74,864
Other income	71,815	34,490
Financing income	566	4,549
	300,840	**239,770**
Expenses		
Television, radio and new media services costs	684,671	628,201
Specialty Services	56,236	54,393
Amortisation of property and equipment	61,205	60,759
Transmission, distribution and collection	29,107	26,864
Corporate management	5,953	6,669
Payments to private stations	1,509	2,197
	838,681	**779,083**
Operating loss before Government funding, non-operating revenues and minority interests	**(537,841)**	**(539,313)**
Government funding		
Parliamentary appropriation for operating expenditures	511,396	494,499
Parliamentary appropriation for working capital	1,999	1,999
Amortisation of deferred capital funding	57,900	57,462
	571,295	**553,960**
Net results before non-operating revenues and minority interests	**33,454**	**14,647**
Non-operating revenues		
Galaxie non-operating revenues	-	4,409
Net results before minority interests	**33,454**	**19,056**
Minority Interests	(20)	10
Net results for the period	**33,434**	**19,066**

The accompanying notes form an integral part of the consolidated financial statements.

STATEMENT OF OPERATIONS
For the six months ended September 30
(thousands of dollars)

REVENUES

	2010	2009	Variance	%
Advertising	158,765	125,867	32,898	26.1%

Advertising revenues increased by $32.9 million in 2010-2011 mainly due to extended playoff series, increased hockey playoff audience and additional revenues from combined with higher digital revenues and strong performance of the National.

	2010	2009	Variance	%
Other income	71,815	34,490	37,325	108.2%

s.18(a)
s.18(b)

	2010	2009	Variance	%
Financing income	566	4,549	(3,983)	(87.6%)

The 2009 **financing income** includes interest associated with Ontrea long-term receivables. The transfer of these receivables to the Monetisation Trust in December 2009 explains the decrease in financing income in 2010.

s.68.1

EXPENSES

	2010	2009	Variance	%
Television, radio and new media services costs	684,671	628,201	56,470	9.0%

Television, radio and new media services costs increased by $56.5 million principally due to higher rights and production costs associated with new sponsored programs and promotion costs (Fall launch and Culture Day), regional programming initiatives as a result of the contribution received from LPIF and additional sport events in 2010-2011. The variance is also explained by ARTV expenses, which are now consolidated in the Corporation's results.

	2010	2009	Variance	%
Corporate Management	5,953	6,669	(716)	(10.7%)

Corporate Management decreased by $0.7 million mainly due to changes made in the senior executive team during 2009.

	2010	2009	Variance	%
Payments to private stations	1,509	2,197	(688)	(31.3%)

Payments to private stations decreased by $0.7 million as a result of the acquisition of stations in Jonquière, Sherbrooke and Trois-Rivières. The transmission of Radio-Canada programming in these markets was previously supported through affiliation agreements.

NET RESULTS

	2010	2009	Variance	%
Net results for the period	33,434	19,066	14,368	75.4%

The **net results** for the first six months of 2010-2011 were higher by $14.4 million compared to last year. Revenues increased by $61.1 million while expenses increased by $59.6 million, as explained earlier, representing a net increase of $1.5 million. The parliamentary appropriation for operating expenditures increased by $16.9 million as of September 2010 compared to the same period last year. This is due to the fact that Galaxie receivables were sold in 2009-2010, giving rise to the recognition, on a budget basis, of $20.1 million in revenues. Given that a similar transaction did not occur in 2010-2011, the government appropriations recognised as revenue were higher than those recognised in the previous year. In addition, there was a small increase of $0.4 million in the amortisation of deferred capital funding. In summary, the net results before non-operating revenues and minority interests have increased by $18.8 million, offset by Galaxie's non-operating revenues of $4.4 million that were recorded in 2009. These deferred revenues are now fully amortised.

Unaudited

Consolidated Statement of Comprehensive Income (Loss)

For the six months ended September 30

(in $000's)

	2010	2009
Net results for the period	**33,434**	**19,066**
Other comprehensive income	-	-
Total comprehensive income (loss) for the period	33,434	19,066

The accompanying notes form an integral part of the consolidated financial statements.

Unaudited

Consolidated Statement of Changes in Equity

For the six months ended September 30

(in $000's)

	2010	2009
Retained earnings (deficit)		
Balance, beginning of the year	(138,056)	(79,757)
Net results for the period	33,434	19,066
Retained earnings (deficit), end of the period	**(104,622)**	**(60,691)**
Accumulated other comprehensive income (loss)		
Accumulated other comprehensive income (loss), beginning of the year	-	-
Other comprehensive income for the period	-	-
Accumulated other comprehensive income (loss), end of the period	**-**	**-**
Retained earnings (deficit), end of the period	(104,622)	(60,691)

The accompanying notes form an integral part of the consolidated financial statements.

Unaudited

Consolidated Statement of Cash Flows

For the six months ended September 30

(in $000's)

	2010	2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net results for the period	33,434	19,066
Items not involving cash:		
Loss on disposal of equipment	505	65
Change in fair value of financial instruments	(242)	4,297
Amortisation of property and equipment	61,135	60,759
Change in deferred charges	14,792	13,226
Amortisation of deferred capital funding	(57,900)	(57,462)
Change in deferred revenues [long-term]	12	(4,059)
Change in long-term receivables	-	(254)
Change in pension plans and employee-related liabilities [current]	(2,293)	6,434
Change in minority interest	1,681	(10)
Net change in non-cash working capital balances	(27)	36,670
	51,097	**78,732**
FINANCING ACTIVITIES		
Parliamentary appropriations :		
Capital funding	49,500	53,108
Repayment of bonds payable	(4,531)	(4,208)
	44,969	**48,900**
INVESTING ACTIVITIES		
Acquisition of property and equipment	(30,590)	(38,392)
Purchase of long-term investments	7,243	-
Capital recovery from notes receivable	-	788
Capital recovery from net investment in sales-type leases	-	836
Deferred charges	(2,106)	(2,550)
Proceeds from disposal of equipment	642	159
Proceeds from sale of receivables	-	20,175
	(24,811)	**(18,984)**
Change in cash and cash equivalents	**71,255**	**108,648**
Cash and cash equivalents, beginning of year	**50,003**	**33,160**
Cash and cash equivalents, end of period	**121,258**	**141,808**
Consist of:		
Cash	121,058	141,808
Cash equivalents	200	-
	121,258	141,808

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

1. AUTHORITY AND OBJECTIVE

CBC/Radio-Canada (the Corporation) was first established by the 1936 *Canadian Broadcasting Act* and continued by the 1958, 1968 and 1991 *Broadcasting Acts*. The Corporation is an agent of Her Majesty and all assets and liabilities are those of the Government.

As the national public broadcaster, the Corporation provides radio, television and new media services in both official languages incorporating predominantly and distinctively Canadian programs to reflect Canada and its regions to national and regional audiences.

The Corporation is accountable to Parliament through the Minister of Canadian Heritage and Official Languages and in accordance with section 85(1.1) of the *Financial Administration Act*, the Corporation is exempt from Divisions I to IV of Part X of this *Act*, except for subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.

The Corporation is a federal Crown Corporation subject to federal corporate income tax by virtue of the *Income Tax Act* (Canada) and the Regulations thereto. The Corporation is not subject to any provincial corporate income taxes but is subject to sales taxes at both the federal and provincial levels.

2. FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The same accounting policies described in the consolidated financial statements included in the latest annual report of the Corporation have been used. However, the consolidated financial statements do not include all disclosure under Canadian GAAP for an annual report and accordingly should be read in conjunction with the Corporation's latest annual consolidated financial statements and notes thereto.

These quarterly financial statements do not include revised estimates of employee future benefits, as actuarial valuations are currently prepared annually.

3. ACCOUNTING CHANGES

In February 2008, the Canadian Accounting Standards Board of the CICA announced that all publicly accountable Canadian reporting entities will adopt IFRS as Canadian GAAP for years beginning on or after January 1, 2011.

In September 2009, the Public Sector Accounting Board approved amendments to “Introduction to Public Sector Accounting Standards”. Following these amendments, the Corporation is now classified as an other government organisation (OGO). As an OGO, the Corporation is required to assess the most appropriate basis of accounting. After assessing various factors, the Corporation has determined that IFRS constitutes the most appropriate basis of accounting.

The changeover date for full adoption of IFRS will be April 1, 2011 for the Corporation. The Corporation’s 2011-2012 consolidated financial statements will comply with IFRS. The standards also require that the Corporation presents complete comparative figures based on IFRS methodology in the 2011-2012 consolidated financial statements. The Corporation is currently reviewing the standards and assessing the potential impact on its consolidated financial statements.

4. FINANCIAL INSTRUMENTS

A. Financial Risk Management

The Corporation’s activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Corporation’s overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimise potential effects on the Corporation’s financial performance. The risk management is carried out through financial management practices in conjunction with the overall Corporation’s governance. The Board of Directors is responsible for overseeing the management of financial risk.

B. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is exposed to currency risk and interest rate risk.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to limited foreign exchange risk on revenues and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The Corporation's primary objective in managing currency risk is to preserve cash flows and reduce variations in performance. The policy on currency risk requires the Corporation to minimise currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations. The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

(ii) Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's long-term receivables, bonds payable and financial liability related to the monetisation of receivables are subject to interest rate fluctuations since they bear a fixed interest rate. An increase or decrease in market rates will affect the fair value of these financial instruments.

C. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit risk through its cash, investments, accounts receivable, long-term receivables, and forward exchange contracts.

The maximum exposure to credit risk of the Corporation at September 30, 2010, is the carrying value of these assets.

(i) Cash and investments

The Corporation has deposited cash with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be minimal.

The Corporation's investments are managed via an investment policy which guides the Corporation in its investment decisions. The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. The investments must be one hundred per cent guaranteed by the Government of Canada to ensure that the Corporation has negligible exposure to credit risk.

(ii) Accounts Receivable

The Corporation's accounts receivable are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited by following a program of credit evaluation and by limiting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a general allowance and an additional allowance that is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience.

(iii) Forward Exchange Contracts

The policy on currency risk requires the Corporation to manage derivative counterparty credit risk by contracting primarily with providers holding credit ratings equivalent to or better than that of the major Canadian banks.

D. Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations associated with financial liabilities.

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does not have the authority to obtain a line of credit or long-term debt without the prior approval of the Minister of Finance.

5. COMMITMENTS

The Corporation entered into commitments by renewing purchase agreements and entering into new purchase agreements. Management estimates that these new commitments, for the six-month period ended September 30, 2010, will result in future expenditures of approximately $204 million. In total, as of September 30, 2010, the Corporation had $942 million of commitments to be paid over the following 13 years.

For the six-month period ended September 30, 2009, the Corporation entered into commitments which resulted in future expenditures of approximately $177 million. In total, as of September 30, 2009, the Corporation had $1,114 million of commitments to be paid over the following 14 years.

6. CONTINGENCIES

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief and could result in significant expenditures. Litigations are subject to many uncertainties and the outcome of individual matters is not always predictable. Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that it is likely that the future event will result in a loss and the amount of such loss can be reasonably estimated, a liability has been accrued and an expense recorded.

There were no significant changes in the Corporation's contingencies as of September 30, 2010 with respect to the information disclosed in the annual report for the year ended March 31, 2010.

SUPPORTING SCHEDULES

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Cash and Cash Equivalents
as at September 30
(in $000's)

The Corporation started the year with an opening cash balance $17 million higher than last year. The cash inflows for the period between April to September 2010 are lower by $1 million compared to the same period last year. Cash inflows were lower due to the sale of Galaxie receivables in September 2009 and year over year timing difference for the receipt of Canadian Retransmission Rights Association right payments which were received in October 2010 vs. September 2009. The decrease is offset by the Local Programming Improvement Funds received in 2010 and higher commodity tax recoveries in 2010.

The disbursements between April and September 2010 are higher by $36 million compared to the same period last year mainly due to the payment of Montreal's grants in lieu of taxes, higher payroll payments due to the timing of schedule and capital project payments. The increase is partially offset by the summer 2009 VRIP disbursements and the effect of the Q4 2009/10 prepayment to SNC Lavalin.

As a result, cash and cash equivalents is lower by $20 million compared to the end of the second quarter last year.

	2010	2009	Increase / (Decrease) Amount	Percent
Canadian and US Bank Accounts	119,555	140,001	(20,446)	(15%)
Foreign Bank Accounts	586	498	88	18%
Petty Cash, Production and Foreign Office Funds	1,158	1,360	(202)	(15%)
Foreign Exchange adjustments	(41)	(51)	10	(20%)
TOTAL	121,258	141,808	(20,550)	(14%)

Accounts Receivable
as at September 30
(in millions of $)

	2010 %	2010 (millions of $)	2009 %	2009 (millions of $)	Variance (millions of $)
Advertising					
Current (accruals)	33.4%	28.2	43.4%	26.2	2.0
1-30 days	18.7%	15.8	19.5%	11.8	4.0
31-60 days	18.8%	15.9	10.9%	6.6	9.3
61-90 days	13.2%	11.1	13.1%	7.9	3.2
91+ days	15.9%	13.4	13.1%	7.9	5.5
Total	**100.0%**	**84.4**	**100.0%**	**60.4**	**24.0**
Non-advertising		**67.9**		**52.6**	**15.3**
TOTAL - ACCOUNTS RECEIVABLE		**152.3**		**113.0**	**39.3**

s.18(a)
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Programming Assets
as at September 30
(in $000's)

	2010	2009	Variance
COMPONENTS			
English Television			
French Television			
Indirect Costs Allocation *			
ARTV			
Documentary Channel			
TOTAL	251,889	264,428	(12,539)
INVENTORY BY PROGRAM CATEGORY			
<u>English Television</u>			
Arts & Entertainment			
A&E in-house			
Independent dramatic			
Independent music and variety			
Independent movies and mini-series			
Independent children, youth and daytime			
Independent development			
Total - Arts & Entertainment			
Network programming			
Documentary production unit			
Factual entertainment			
News & Current affairs			
Sports			
Regional inventory			
TOTAL - ENGLISH TELEVISION			
<u>French Television</u>			
Procured programs and films rights			
Current affairs and documentaries			
Drama			
Arts & Entertainment			
Sports			
TOTAL - FRENCH TELEVISION			

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* Overhead expenses applicable to program in inventory

Note 1:

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Note 3:

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FINANCIAL STATEMENTS- BUDGET BASIS

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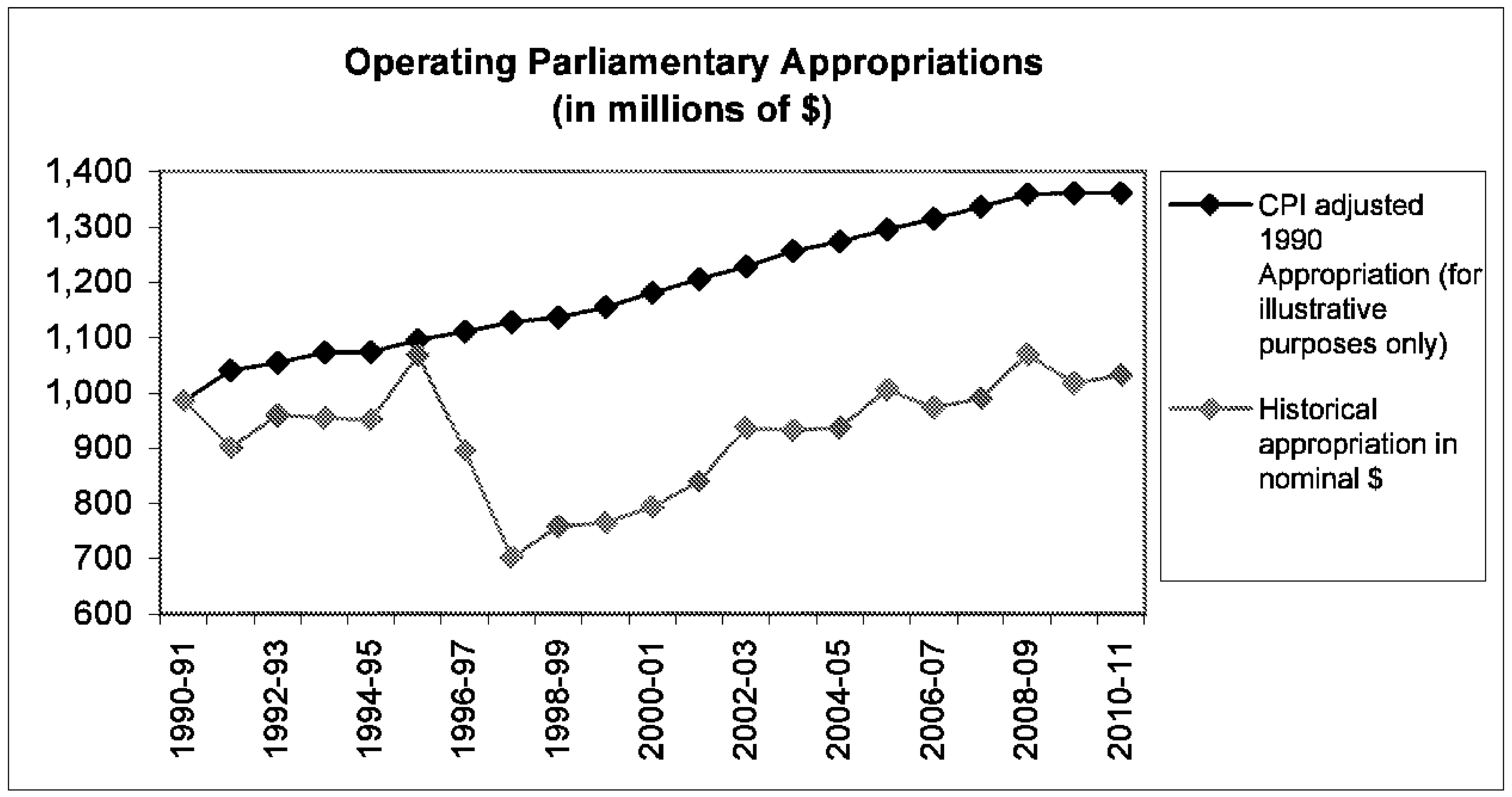
Financial Highlights
For the six months ended September 30th



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Financial Highlights
For the six months ended September 30th

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Overview of the six months period ended September 30
(in $000's)

	Comparison to Budget		Comparison to Prior Year	
	Year-to-date (April to September)	Annual Basis (April to March)	Year-to-Date (April to September)	Second Quarter Results (July to September)
SOURCE OF FUNDS				
Parliamentary Appropriation				
Drawdown				
(Used for) generated by working capital				
Planned				
Prior Year Carryover				
Government Funding and Carryover				
Revenues				
Sale of Assets				
Local Programming Improvement Fund				
English Television				
French Television				
Local Programming Improvement Fund				
Commercial Revenues				
English Services				
French Services				
Commercial Revenues				
Miscellaneous Revenues-Regular Operations				
English Services				
French Services				
Others				
Miscellaneous Revenues-Regular Operations				
Revenues-Specialty Services:				
CBC News Network				
bold				
Réseau de l'information				
Galaxie				
Revenues-Specialty Services				
TOTAL SOURCE OF FUNDS				
APPLICATION OF FUNDS				
Expenditures				
English Services				
French Services				
Media-Related Activities				
Support Activities				
TOTAL APPLICATION OF FUNDS				
NET POSITION				

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Overview Comments

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s.18(b)
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Consolidated English Services
For the six months ended September 30
($000's)

	Comparison to Budget						Comparison to Prior Year					
	Year-to-Date (April to September)			Annual Basis (April to March)			Year-to-Date (April to September)			Second Quarter Results (July to September)		
	2010/2011 Budget	2010/2011 Actuals	Variance	2010/2011 Budget	2010/2011 Forecast	Variance	2010/2011 Actuals	2009/2010 Actuals	Variance	2010/2011 Actuals	2009/2010 Actuals	Variance
SOURCE OF FUNDS												
Parliamentary Appropriation												
Prior Year Carryover												
Government Funding and Carryover												
Local Programming Improvement Fund												
Revenues												
English Television - Commercial - Televsion												
English Television - Commercial - Digital Services												
English Television - Commercial - Contras/Value-added												
English Television - Miscellaneous												
CBC News Network - Commercial												
CBC News Network - Subscriber and other revenue												
bold												
English Radio - Miscellaneous												
Total Revenues												
TOTAL SOURCE OF FUNDS												
APPLICATION OF FUNDS												
English Television - Programming and Production												
English Television - Technical												
English Television - Regional Operations												
CBC News Network												
bold												
English Radio - Programming and Production												
English Radio - Technical												
English Radio - Regional Operations												
Sales and Marketing												
Programming and Other Commitments												
Media Management												
TOTAL APPLICATION OF FUNDS												
NET POSITION												

s.18(a)
s.18(b)

Consolidated English Services Results Comments

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s.18(b)
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Consolidated French Services
For the six months ended September 30
($000's)

	Comparison to Budget						Comparison to Prior Year					
	Year-to-Date (April to September)			Annual Basis (April to March)			Year-to-Date (April to September)			Second Quarter Results (July to September)		
	2010/2011 Budget	2010/2011 Actuals	Variance to Budget	2010/2011 Budget	2010/2011 Forecast	Variance to Budget	2010/2011 Actuals	2009/2010 Actuals	Variance in Actuals	2010/2011 Actuals	2009/2010 Actuals	Variance in Actuals
SOURCE OF FUNDS												
Parliamentary Appropriation												
Prior Year Carryover												
Total Government Funding and Carryover												
Sale of Assets												
Local Programming Improvement Fund												
Revenues												
French Television-Commercial - Television												
French Television-Commercial - Digital Services												
French Television-Commercial - Contras/Value-added												
French Television-Miscellaneous												
Réseau de l'information - Commercial												
Réseau de l'information - Subscriber and Other Revenue												
French Radio and Radio Canada International - Miscellaneous												
Total Revenues												
TOTAL SOURCE OF FUNDS												
APPLICATION OF FUNDS												
French Television - Programming and Productiion												
French Television - Technical												
French Television - Regional Operations												
Réseau de l'information												
French Radio - Programming and Production												
French Radio - Technical												
French Radio - Regional Operations												
Radio Canada International												
Revenue Group (excluding RDI)												
Programming and Other Commitments												
Media Management												
TOTAL APPLICATION OF FUNDS												
NET POSITION												

s.18(a) s.18(b)

<u>Consolidated French Services Results Comments</u>

s.18(a)
s.18(b)

Media-Related Activities
For the six months ended September 30
($000's)

	Comparison to Budget						Comparison to Prior Year					
	Year-to-date (April to September)			Annual Basis (April to March)			Year-to-date (April to September)			Second quarter (July to September)		
	2010/2011 Budget	**2010/2011 Actuals**	**Variance to Budget**	**2010/2011 Budget**	**2010/2011 Forecast**	**Variance to Budget**	**2010/2011 Actuals**	**2009/2010 Actuals**	**Variance in Actuals**	**2010/2011 Actuals**	**2009/2010 Actuals**	**Variance in Actuals**
SOURCE OF FUNDS												
Parliamentary Appropriation												
Prior Year Carryover												
Government Funding and Carryover												
Sale of Assets												
Revenues												
CBC Transmission and Distribution												
Real Estate Division												
Mobile Productions-External Rentals												
Merchandising Division												
Galaxie												
TBC land interest												
Sirius												
Total Revenues												
TOTALSOURCE OF FUNDS												
APPLICATION OF FUNDS												
Technology Strategy Board												
Broadcast and Telecommunication												
CBC Transmission and Distribution												
Real Estate Division												
Mobile Productions												
Mobile Productions-Recoveries from medias												
Merchandising Division												
Ottawa Production Centre												
Content Management												
Galaxie												
Corporate Reserve												
TOTAL APPLICATION OF FUNDS												
NET POSITION												

s.18(b)
s.18(a)

Media-Related Activities Results Comments

s.18(a)

s.18(b)

Support Activities
For the six months ended September 30
($000's)

	Comparison to Budget						Comparison to Prior Year					
	Year-to-Date (April to September)			Annual Basis (April to March)			Year-to-Date (April to September)			Quarter-to-date (July to September)		
	2010/2011 Budget	2010/2011 Actuals	Variance to Budget	2010/2011 Budget	2010/2011 Forecast	Variance	2010/2011 Actuals	2009/2010 Actuals	Variance in Actuals	2010/2011 Actuals	2009/2010 Actuals	Variance in Actuals
SOURCES OF FUNDS												
Net Parliamentary Subsidy		51,462					51,462	55,686	(4,224)	25,505	26,592	(1,087)
Prior Year Carryover		0					0	0	0	0	0	0
Miscellaneous Revenues												
Strategy and Business Partnerships		415					415	185	230	167	159	8
CRRA		3,482					3,482	3,313	169	2,609	2,688	(79)
Interest and other administration revenues		638					638	444	194	427	217	210
Capital Recoveries		2,263					2,263	1,303	960	1,260	678	582
Total Miscellaneous Revenues		**6,798**					**6,798**	**5,245**	**1,553**	**4,463**	**3,742**	**721**
TOTAL SOURCE OF FUNDS		**58,260**					**58,260**	**60,931**	**(2,671)**	**29,968**	**30,334**	**(366)**
APPLICATION OF FUNDS												
Office of the President and CEO		637					637	597	(40)	252	284	32
Office of the Chairperson and Board of Directors		305					305	177	(128)	143	111	(32)
Branding, Communications and Corporate Affairs		2,441					2,441	2,236	(205)	1,261	1,037	(224)
Internal Audit		622					622	495	(127)	209	322	113
Priorities and Implementation		0					0	385	385	0	282	282
Training and Development		2,040					2,040	1,392	(648)	742	599	(143)
People and Culture		7,567					7,567	7,383	(184)	4,008	3,909	(99)
Severance Pay and Other Personnel Costs		4,564					4,564	3,819	(745)	2,611	1,229	(1,382)
Dental Plan, EAP and Crisis Management		1,964					1,964	2,114	150	1,111	1,028	(83)
Information Technology		13,281					13,281	14,231	950	6,810	6,026	(784)
Regulatory Affairs		773					773	669	(104)	422	399	(23)
Strategy and Business Partnerships		3,573					3,573	2,959	(614)	1,665	880	(785)
General Counsel and Corporate Secretariat		3,879					3,879	3,599	(280)	1,771	2,103	332
Corporate Finance and Administration		4,837					4,837	4,923	86	2,395	2,600	205
Insurance, Corporate Forms, Taxes, etc.		1,399					1,399	1,284	(115)	708	1,034	326
Shared Services		5,285					5,285	5,337	52	2,713	2,574	(139)
International Relations		10					10	12	2	10	7	(3)
Ombudsman - Toronto		151					151	158	7	73	79	6
Ombudsman - Montreal		163					163	152	(11)	77	79	2
Corporate New Media		74					74	478	404	34	221	187
TOTAL APPLICATION OF FUNDS		**53,565**					**53,565**	**52,400**	**(1,165)**	**27,015**	**24,803**	**(2,212)**
NET POSITION		4,695					4,695	8,531	(3,836)	2,953	5,531	(2,578)

s.18(a)
s.18(b)

Support Activities Results Comments

Reconciliation of Net Results of Operations GAAP to Budget Basis

The Corporation receives a significant portion of its funding through Parliamentary appropriations, based primarily on cash flow requirements. Expenses recognised in the Consolidated Statement of Operations in one period may be funded through Parliamentary appropriations in other periods/years. Accordingly, the Corporation's net results of operations for the period on a budget basis differ from those on a Canadian generally accepted accounting principles basis. The differences are outlined below:

For the six months ended September 30	**2010**	**2009**
	(thousands of dollars)	
Net results for the period on a GAAP basis	**33,434**	**19,066**
Items not generating operating funds		
Amortisation of deferred capital funding	(57,900)	(57,462)
Loss on disposal of property and equipment	505	65
Parliamentary appropriation for working capital	(1,999)	(1,999)
Specialty services consolidated results	(17,975)	-
Net proceeds generated from the sale of Galaxie (to be recognised in future years on a government funding basis)	-	(4,409)
Sale of notes receivable	-	20,175
Other	1,444	1,597
	(75,925)	**(42,033)**
Items not requiring operating funds		
Amortisation of property and equipment	61,205	60,759
Indirect costs allocated to programming assets	(6,445)	(6,064)
Annual leave	(5,293)	6,434
Specialty services consolidated results	18,859	-
Other	(2,213)	1,152
	66,113	**62,281**
Net results of operations on a budget basis	**23,622**	**39,314**

s.18(a)
s.18(b)

Cash Forecast
as at September 30, 2010

	2010/2011 Actual / Forecast		2009/2010 Actual				
	Apr - Jun	**Jul - Sep**	**Apr - Jun**	**Jul - Sep**	**Oct - Dec**	**Jan - Mar**	**Total**
Opening balance (1)	47,790	105,860	31,956	102,712	140,689	278,994	31,956
Inflows							
Appropriations received (2)	381,137	270,000	371,350	304,500	311,908	138,809	1,126,567
Revenues (3)	175,882	181,046	150,646	162,470	141,046	189,130	643,292
Sale of assets	-	-	-	20,101	133,613	-	153,714
Outflows							
Expenditures (4)	(498,949)	(437,351)	(451,240)	(420,109)	(442,112)	(556,736)	(1,870,197)
VRIP/downsizing payout	-	-	-	(28,985)	(6,150)	(2,407)	(37,542)
Ending balance (1)	105,860 (5)	119,555 (6)	**102,712**	**140,689**	**278,994**	**47,790**	**47,790**

Note 1:

Note 2:

Note 3:

Note 4:

Note 5:

Note 6:

Note 7:

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CAPITAL

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s.18(b)

Capital

2010/2011 Capital Budget Overview as at September 30, 2010
Forecasted expenditures to Year-end
($000's)

s.18(a)
s.18(b)

Investment Class	**Capital Plan**	**Forecasted Expenditures**	**Surplus/ (Deficit)**	**Actual Expenditures to Date**	**As % of Forecast**
Legal and regulatory					
Mission critical					
Payback initiatives					
Growing the business					
Transmission strategy					
Efficiency projects					
Minor capital					
Corporate Contingency					
Impact of approved plan being higher than available capital (1)					
Total Surplus/(Deficit) Forecast (2) & (3)					

Component	**Capital Plan**	**Forecasted Expenditures**	**Surplus/ (Deficit)**	**Actual Expenditures to Date**	**As % of Forecast**
English Television (ETN)					
French Television (FTN)					
English Radio (ERN)					
French Radio (FRN)					
English New Media (ENM)					
French New Media (FNM)					
Information Technology (IT)					
Real Estate (RE)					
Toronto Broadcast Centre (TBC)					
Telecommunication					
Transmission Division (T&D)					
Human Resources (HR)					
Corporate Components					
Fleet Management					
Minor Capital					
Enterprise Wide (EW):					
Vision					
Vision post go live project					
Vancouver Redevelopment					
Newsroom System Project - iNews					
Desktop Radio - Permanent Solution					
Other					
Corporate Contingency					
Impact of approved plan being higher than available capital (1)					
TOTAL SURPLUS/(DEFICIT) FORECAST (2) & (9)					
% of Available Capital					

* Includes repayment of bonds payable for TBC lease

s.18(a)
s.18(b)

2010/2011 Capital Budget Overview as at September 30, 2010 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

s.18(a)
s.18(b)

CAPITAL INVESTMENT PLAN
Board of Directors Projects > $5 million (in 000's)
Forecasted Expenditures to Project Completion (including related operating expenditures)

PROJECTS APPROVED								
Projects	Component	Original Budget Approved by Board Resolution	Latest Approval Date	Project Closing Forecast/ Actual Date	Total Budget Approved by BOD Resolution	Budget Released	Total Forecasted Expenditures	Total Forecasted Surplus/ (Deficit)

s.18(a)
s.18(b)

CAPITAL INVESTMENT PLAN
Board of Directors Approved Projects > $5 million - Notes
Forecasted Expenditures to Project Completion (including relayed operating expenditures)

Note 1

Note 2

Board approved projects with forecasted deficits as at Sep 30, 2010

('000$)

Projects	Component	Original Budget Approved by Board Resolution	Total Budget Approved by BOD Resolution	Other sources of funds	Budget Released	Total Forecasted Expenditures as at September 30, 2010	Total Forecasted Surplus/ (Deficit), including other sources of funds	Supplemental Funds Required
							-	
							-	
							-	
Total ≤ $2.0M		0	0	**0**	0	**-**	-	-

At its meeting in September 2009, the Board of Directors approved a new practice for governance and monitoring of variances on Board approved projects. The new practice permits Management to continue activity on Board approved projects with small projected deficits, where the individual project deficits are ≤ 10% and ≤ $1.5 million, and the total of all small projected deficits does not exceed $2 million on all active projects.

As of September 30, 2010, there are no projects with deficits that exceed the total budget approved by resolution of the Board of Directors.

Schedule A

Audit Committee

November 10, 2010

Subject matter

Risk Management Update

Background

The Annual Risk Management report was presented and approved at the Audit Committee meeting on March 10, 2010.

The Audit Committee requested regular updates on the management of CBC/Radio-Canada's key risks and these updates are now presented on a quarterly basis. Modifications made to the first three columns of the report since the The Annual Risk Management Report are in blue font.

Information on the matter

This report is an update to the September 15th report as at October 14, 2010. Some highlights of the report include:

s.18(b)

s.21(1)(b)

For decision ☐ **For information** ■

Prepared by

Name:	Michael Mooney
Date:	October 20, 2010

Management recommendation

N/A

Last discussed at the Board

Date:	September 15, 2010
Decision made:	N/A

Next steps

CBC Radio-Canada

Risk Management Report

Report to the
CBC/Radio-Canada
Audit Committee

Michael Mooney
November 10, 2010

CONFIDENTIAL

s.18(a)
s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

LEGEND

Risk Trend: ▼ **Decreasing** ► **Stable** ▲ **Increasing** • **No change to "status update" column since last report**

s.18(b) s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.21(1)(b)

s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b) s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b) s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b)

s.21(1)(b)

s.20(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b) s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.21(1)(b) s.18(a) s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.68.1

s.18(b)

s.21(1)(b)

s.18(a)
s.18(b)
s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b) s.21(1)(b) s.18(a)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.21(1)(b)

s.18(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(a)
s.18(b)

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.21(1)(b)
s.18(a)
s.18(b)
s.68.1

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b) s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(a)
s.18(b)

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

s.18(b)

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at Oct. 14, 2010	Risk Trend

Schedule A

Board of Directors

November 2010

Subject matter

DTV Transition and Analogue Shutdown: An Update

Background

On August 6, 2010, CBC/Radio-Canada announced the details of its plan for the transition to the Canadian public. The plan stated that 15 of the 27 DTV transmitters will be operational by August 31, 2011, with the remaining 12 to be operational by or before August 2012.

This document describes the relevant events that have occurred since that date.

Information on the matter

Please see attached document.

For decision ☐ **For information** ■

Prepared by

Name: Steven Guiton, Vice-President and Chief Regulatory Officer
Media Technology Services and Regulatory Affairs
Date: October 29, 2010

Management recommendation

Management is providing this for the information of the Board only.

Last discussed at the Board

Next steps

Anticipated project completion date: ___**August 31, 2011**__________
(If contract, indicate date of expiry): _____________

DTV TRANSITION AND ANALOGUE SHUTDOWN: UPDATE

In its March 22, 2010 framework for conventional broadcasting, the CRTC re-affirmed the date of August 31, 2011 for the transition to DTV and the requirement to shut-off analogue TV transmitters in certain "mandatory" markets across Canada.

The CRTC established the rule that broadcasters currently operating analogue transmitters in any of these mandatory markets would have to cease analogue operation and begin digital operation by August 31, 2011, should they wish to continue operating in those markets. Broadcasters not currently operating in mandatory markets are not required to extend digital service to these markets. Due to its historic roll-out and presence in markets across Canada, CBC/Radio-Canada operates analogue TV Transmitters in the vast majority of mandatory markets. As a result, the CRTC requirements would represent the conversion of 51 analogue transmitters to digital for CBC/Radio-Canada, 24 beyond its plan of 27 transmitters (in those markets where we originate programming).

On August 6, 2010, CBC/Radio-Canada announced the details of its plan for the transition to the Canadian public. The plan stated that 15 of the 27 DTV transmitters will be operational by August 31, 2011, with the remaining 12 to be operational by or before August 2012. The Corporation also filed an application with the CRTC to allow a temporary extension to transmit OTA in analogue in these 12 markets, until August 2012. On Sept. 28, 2010, the CRTC denied this request.

As per the CRTC's rules, the Corporation's current plan entails the turning off of analogue TV transmitters in mandatory markets. The operating savings from the shutdown of these analogue TV transmitters will be sufficient to cover the operating costs of the 27 DTV transmitters at their final parameters. In non-mandatory markets, analogue TV service is expected to continue on a non-interfering (to other DTV transmitters), non-protected basis, until replacement and maintenance costs become prohibitive.

The target plan is to have all 27 DTV transmitters operational by August 31, 2011 at final transition parameters. Should technical problems arise, temporary installations will be built to ensure service continuity.

The advancement of these installations will impact the capital budget, requiring the advancement of approximately $12.0 M in capital from 2012.

Advancing the 12 DTV transmitter projects may result in additional capital costs and additional manpower if temporary installations are required. These costs are not expected to exceed $1 M.

An additional requirement of $1.5 M in capital for NGCN (Next Generation Converged Network) encoders is required to replace existing leased DTV terrestrial circuits (in lieu of additional satellite transponder capacity) due to the advancement of the 12 transmitters.

CBC DTV TRANSMITTER ROLL OUT PLAN
PLAN DE MISE EN OEUVRE EMETTEURS TELEVISION NUMERIQUE DE RADIO-CANADA

s.18(b)

PROVINCE	CITY/VILLE	ON-AIR DATE/DATE DE MISE EN ONDE
ENGLISH TELEVISION		
Ontario	Toronto	On-air. Power upgrade August 2011
Québec	Montréal	On-air. Power upgrade December 2010
B.C.	Vancouver	On-air. Power upgrade August 2011
Alberta	Calgary	March 2011
Alberta	Edmonton	March 2011
Manitoba	Winnipeg	August 2011
Nova Scotia	Halifax	August 2011
New Brunswick	Fredericton/Saint John	August 2011
Ontario	Windsor	August 2011
Saskatchewan	Regina	August 2011
P.E.I.	Charlottetown	August 2011
Newfoundland	St. John's	August 2011
NWT	Yellowknife	August 2011
TÉLÉVISION FRANCAISE		
Québec	Montréal	En ondes. Augmentation de puissance Dec. 2010
Québec	Québec	En ondes. Augmentation de puissance Août 2011
Ontario	Toronto	En ondes. Augmentation de puissance Août 2011
Ontario	Ottawa	En ondes. Augmentation de puissance Août 2011
Québec	Rimouski	Août 2011
Québec	Sherbrooke	Août 2011
Québec	Trois-Rivières	Août 2011
Québec	Chicoutimi/Saguenay	Août 2011
Nouveau Brunswick	Moncton	Août 2011
Manitoba	Winnipeg	Août 2011
B.C.	Vancouver	Août 2011
Alberta	Edmonton	Août 2011
Saskatchewan	Regina	Août 2011

October/Octobre 2010

Schedule A

AUDIT COMMITTEE
BOARD OF DIRECTORS
November 16-17, 2010

Subject matter

Guidelines for Referrals to Board Committees

Background

In response to various inquiries, these Guidelines have been prepared to clarify, for management and for Board Committees, the matters requiring Board approval and the process whereby approval is obtained.

Information on the matter

Please see attached document entitled *Guidelines for Referrals to Board Committees*

For decision ☐ **For information** ☒ X

Prepared by

Name: Maryse Bertrand
Date: November 1, 2010

Management recommendation

N/A

Last discussed at the Board

Date: N/A.
Decision made: N/A

Next steps

N/A

Guidelines for Referrals to Board Committees

These guidelines are intended to clarify, for management and for Board Committees, the matters requiring Board approval and the process whereby approval is obtained.

The relevant questions are:

Is this a matter which requires Board approval?
If so, should it be reviewed by a Committee of the Board before proceeding to the Board for decision?
If so, which Committee should review it and provide its recommendation?
Is it a matter that falls within the authority delegated to the Audit Committee to make a final decision?

The relevant documents are:

The President's Signing Authority Resolution

The Terms of Reference for the Audit Committee

The Terms of Reference for the other Committees of the Board

The fundamental principle is that all matters require Board approval, subject only to the Board delegating its authority to management (through the President and CEO) or to a Committee.

The President's Signing Authority Resolution sets out the authority delegated by the Board of Directors to the President and CEO and specifies the matters in respect of which the President and CEO is authorized to decide, enter into or commit on behalf of the Corporation. Matters that fall within this authority do not require any further approval and will not be submitted to a Committee or to the Board for approval.

Approval by the Board (or in certain defined situations, by the Audit Committee on behalf of the Board) is required for all matters that exceed the authority granted to the President and CEO pursuant to the President's Signing Authority Resolution in force from time to time. The process to obtain Board approval varies, depending upon the nature of the matter for which approval is sought.

In some cases, where, for example, the project or transaction is very large in scope and/or strategic in nature, it will proceed directly to the Board for consideration.

In other cases, the matter may be subject to preliminary review and analysis by the appropriate Committee of the Board before it proceeds to the Board for a final decision. The Committee's role in these circumstances is to examine the matter in greater depth and provide its recommendation to the Board. The subject matter of the project will dictate the choice of the appropriate Committee and will depend upon within which Committee's mandate the subject under consideration falls. Under this framework, most matters will fall clearly within the purview of one Committee.

Where a project or transaction does not clearly fall within the mandate of a specific Committee and the President and CEO concludes that some preliminary review and analysis is advisable before the matter comes to the Board, he may refer the matter to the Audit Committee to fulfill this function.

The Terms of Reference for the Audit Committee provide that, in addition to its responsibilities with respect to financial reporting, internal controls, and internal/external audit, the Audit Committee is responsible to "**review and approve** transactions which have an economic value of five million dollars ($5M) or more as referred to the Committee" and "**review and approve**, as to the financial risks, programming transactions that have an economic value of $10 million or more or commit the Corporation to a period greater than four years". These provisions are intended to capture those regular, recurring transactions that are within the Corporation's ordinary course of business, such as contracts for supplies and services, or routine programming transactions that exceed the President and CEO's authority but do not require in-depth discussion or analysis by the entire Board.

The Terms of Reference for the Real Estate Committee provide, among other things, that the Real Estate Committee is responsible to "**review and recommend** significant real estate projects and transactions".

Matters that **exceed** the President and CEO's authority shall be referred to the Real Estate Committee for consideration where the key business decision to be made is primarily concerned with:

1. The acquisition or disposition of land and/or a building, including a transmission site
2. The leasing or other financing arrangements of premises, land or buildings
3. The consolidation, redevelopment, renovation, construction or other remediation of premises
4. Contracts for facilities management or real estate project management services
5. Contracts for building security

The Terms of Reference for the Human Resources and Compensation Committee provide that the Human Resources and Compensation Committee is responsible, among other things, to **review and recommend** human resources and industrial relations strategies and policies, compensation plans and budgets, and mandates for collective agreements.

Matters that **exceed** the President and CEO's authority shall be referred to the Human Resources and Compensation Committee for consideration where the decision to be made is primarily concerned with:

1. Salary and incentive compensation programs
2. Employee benefit programs
3. Voluntary retirement incentive programs
4. Employee performance management programs
5. Industrial relations agreements or programs

DRAFT

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
October 21, 2010

PRESENT:

Mr. Timothy W. Casgrain	Chair
Mr. Hubert T. Lacroix	President and CEO
Ms. Linda Black	
Mr. Edward Boyd	
Mr. Peter Charbonneau	
Mr. George Cooper	
Ms. Patricia McIver	
Mr. Brian Mitchell	
Mr. Rémi Racine	
Ms. Edna Turpin	

REGRETS:

Mr. John Young

ALSO ATTENDING:

Ms. Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Ms. Katya Laviolette, Vice-President, People and Culture
Ms. Meg Angevine, Compliance Officer and Associate Corporate Secretary

DRAFT

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
October 21, 2010

The Chair of the Board called the meeting to order at 10:30 a.m. (EDT) and thanked Directors for their participation.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Rémi Racine, Chair of the Committee, presented the report.

s.19(1)
s.21(1)(a)
s.21(1)(b)

s.19(1)
s.21(1)(a)
s.21(1)(b)

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves the Termination package for the former Executive Vice-President, English Services, as presented.

MOTION CARRIED

Appointment of CBC Ombudsman

The President and CEO outlined for the Board the details of the process followed, including the search firm retained, the final selection panel convened, and the reasons for his decision to appoint Mr. Kirk Lapointe as the new CBC Ombudsman. A copy of Mr. Lapointe's resume was distributed to the Board for information.

Mr. Lacroix also outlined the logistics of the proposed model, and the advantages of decentralizing the function. He informed the Board that the initial term of the appointment was two years to enable him to assess the effectiveness of the new model.

VARIA

The Chair of the Board provided a brief update on the annual public meeting of the Corporation held October 20, 2010 in Ottawa, with concurrent sites in Vancouver, Edmonton and St. John's. He invited those Board members who had attended in one of the alternate locations to provide their feedback on the event to the President and CEO and Bill Chambers.

The President and CEO reported that the Leaders' Forum held the previous week in Montreal had been a very positive and constructive meeting with the leaders of the Corporation, generating lots of useful feedback on the strategic plan. More details will be provided in conjunction with the strategic planning report to the Board in November.

CONCLUDE

There being no further business to discuss, the meeting concluded at 11:00 a.m.

377th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
September 21-22, 2010

Mr. Timothy W. Casgrain	Chair
Mr. Hubert T. Lacroix	President and CEO
Ms. Linda Black	
Mr. Edward Boyd	
Mr. Peter Charbonneau	
Mr. George Cooper	
Ms. Patricia McIver	
Mr. Brian Mitchell	
Mr. Rémi Racine (for September 21 only)	
Ms. Edna Turpin	
Mr. John F. Young	

REGRETS:

None

ALSO ATTENDING:

Ms. Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Ms. Meg Angevine, Compliance Officer and Associate Corporate Secretary
Ms. Francine Letourneau, Chief of Staff, Office of the President and CEO

Other participants as identified in the minutes.

377th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
September 21-22, 2010

The Chair called the meeting to order at 9:30 a.m.

IN CAMERA WITH THE PRESIDENT AND CEO

The Board met in camera with the President and CEO to discuss several topics. No matters were reported to the Corporate Secretary for inclusion in the minutes.

APPROVAL OF THE MINUTES

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** the minutes of the June 22-23, 2010 meeting and of the conference calls of July 30th, 2010 and August 5, 2010 be and are hereby approved with one amendment to the June 22-23, 2010 minutes.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters to report.

CHAIR'S REPORT

Mr. Casgrain provided a brief report on his activities during the summer, noting in particular that the literacy initiative referenced in his May 2010 report was progressing satisfactorily under the direction of Jennifer Gillivan.

PRESIDENT'S REPORT

Mr. Lacroix reported that the involvement of the Bain team in the long term strategic planning initiative was winding down now that CBC/Radio-Canada management has assumed responsibility for the final stages of the process. He noted that several members of the Bain team would be joining the meeting today as it represents an important step towards the conclusion of this exercise.

Mr. Lacroix advised that the next phase of the process would be the Leaders' Forum, which is scheduled to take place in Montreal on October 14-15, 2010, with 108 leaders from all areas of the Corporation in attendance, to discuss and debate the merits of the long term strategic plan. The results of that meeting will be presented to the November 2010 Board meeting.

STRATEGIC PLANNING COMMITTEE REPORT

Sylvain Lafrance, Executive Vice-President, French Services, Kirstine Stewart, Interim Executive Vice-President, English Services, Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships, Bill Chambers, Vice-President, Branding, Communications and Corporate Affairs, Suzanne Morris, Vice-President and Chief Financial Officer, Neil McEneaney, Executive Director, Finance and Administration Management, English Services, Peter St. Onge, Executive Director, Finance and Management Services, French Services, Michael Mooney, Senior Director, Corporate Finance and Administration, and Stan Staple, Senior Director, Research and Strategic Analysis, joined the meeting, as did the following representatives from Bain and Company:

s.19(1)

Peter Charbonneau observed that after nine months of intensive work, a complete strategy was emerging. He referenced the elements presented at the June Board meeting and summarized the progress made over the summer.

The President and CEO acknowledged the hard work of all those involved in the process, including the significant participation and contribution by the Board, and he then briefly outlined the elements still being developed; relating to the human resources component, the communications plan, and the roll-out plan.

Michel Tremblay provided an overview of the project, its objectives, the mission statement, and the guiding principles, highlighting the changes recently incorporated in response to input from the Board. Stan Staple then reviewed the changes to the metrics employed to measure the extent to which CBC/Radio-Canada's services and genres succeed in delivering on the mission.

During this part of the presentation, management responded to many questions from the Board on various subjects, including: (i) the extent to which the metrics take into account media consumption patterns and habits; (ii) the quantum and alignment of costs for cbc.ca and radio-canada.ca; (iii) the extent to which mission delivery scores are driven by public responses; (iv) the origin of the source data for key measures; and (v) how other public broadcasters measure performance.

Michel Tremblay then turned to the key strategic thrusts, noting that they fall into two categories: (1) strategic investments and services priorities and (2) improvements to monetization and efficiency. Kirstine Stewart and Sylvain Lafrance then outlined the specific programming actions planned for English and French Services in support of the strategy, and responded to questions with respect to: (i) the relationship between programming decisions and the mandate; (ii) the value and cost of certain program genres; and (iii) the development process.

Discussion of the Strategic Planning Committee Report was suspended to permit the presentation of the Real Estate Committee Report.

REAL ESTATE COMMITTEE REPORT

Rémi Racine, Chair of the Committee, presented the report.

Sale of Brossard Transmission Site
Mr. Racine briefly outlined (i) the opportunity presented by the proposed sale; (ii) the terms of the sale; and (iii) the benefits for CBC/Radio-Canada. Management responded to questions from the Directors on the results of the environmental assessment of the site, and the nature of the procurement process to be followed. After consideration, the Board adopted the Committee's recommendation.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Real Estate Committee, the Board of Directors hereby approves the sale of the Brossard Transmission site, on the terms and conditions set out in the Supplementary Resolution, a copy of which shall remain attached to the original of these minutes as Appendix 1.

MOTION CARRIED

Rimouski Multimedia Production Centre Project
Mr. Racine referred to the material distributed with respect to the key elements of the project and its role in the overall strategic direction for French Services. After discussion, the Board approved the Committee's recommendation to proceed with the project.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Real Estate Committee, the Board of Directors hereby approves the Rimouski Multimedia Production Centre Project as presented, in accordance with the terms and conditions set out in the Supplementary Resolution, a copy of which shall remain attached to the original of these minutes as Appendix 2.

MOTION CARRIED

George Cooper declared his firm's potential interest in a project ancillary to the Halifax Project and withdrew from the meeting.

Halifax Consolidation Project
Mr. Racine summarized the history, objectives, and challenges of the Halifax Consolidation Project. He explained how three of the five options presented to the Committee had been eliminated, and noted the cost differentials, both for construction and for operations, between the two remaining options. He described

the recommended option and its advantages, risks, and the mitigating factors. Management responded to questions with respect to the financing of the project, the future increase in operating costs for the consolidated facility, and the possible cost-containment measures. After consideration, the Board endorsed the Committee's recommendation.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Real Estate Committee, the Board of Directors hereby approves the Halifax Consolidation Project as presented, in accordance with the terms and conditions set out in the Supplementary Resolution, a copy of which shall remain attached to the original of these minutes as Appendix 3.

MOTION CARRIED

George Cooper rejoined the meeting.

STRATEGIC PLANNING COMMITTEE REPORT (CONTINUED)

Consideration of the Strategic Planning Committee report resumed.

Kirstine Stewart and Sylvain Lafrance described the approaches contemplated by the strategy to address the goals of diversity and social cohesion. They also outlined the activities planned in conjunction with evaluating and enhancing: (i) the delivery of services to aboriginal Canadians and (ii) CBC/Radio-Canada's presence on the international scene.

The focus then shifted to the remaining elements of the strategy, with a review of the plans for regional services and platforms. Kirstine Stewart and Sylvain Lafrance enumerated the initiatives and proposed actions for English and French Services. During the discussion, management answered questions on: (i) the strategy with respect to radio and internet services; (ii) the nature of potential partnerships and monetization initiatives; and (iii) the markets to be served.

Suzanne Morris presented the financial aspect of the material, summarizing the work underway with respect to: (i) maximizing advertising revenues and other monetization activities; (ii) achieving operating efficiencies; and (iii) reviewing capital assets with a view to generating savings.

Suzanne Morris then presented an overview of the initiatives and approaches designed to provide the requisite funding for the strategy. In her review, she outlined: (i) the associated costs and revenues of the new initiatives; (ii) the plan to stagger the investment required for implementation over a period of several years; (iii) the Corporation's financial outlook both before and after implementation; and (iv) the key risks associated with the strategy and the plans to manage them effectively.

Mr. Racine left the meeting just prior to the conclusion of the presentation.

Throughout the presentation, the Board engaged in considerable discussion on a range of topics, and management responded to questions from the Board on: (i) plans to engage younger audiences; and (ii) whether the increased sales targets are realistic.

Lastly, Michel Tremblay and Bill Chambers reviewed the mobilization and communications plans and the next steps in the process. At the conclusion of the Board's lengthy discussion, it endorsed the overall direction of the long term strategic plan and confirmed its support for the strategies outlined in it.

IN CAMERA

The Board met in camera with the President and CEO and the representatives from Bain and Company to discuss several topics. No matters were reported to the Corporate Secretary for inclusion in the minutes.

ADJOURNMENT

The meeting adjourned at 5:30 p.m. on September 21, 2010.

The meeting resumed at 9:00 a.m. on September 22, 2010.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Edna Turpin, Chair of the Committee, presented the report.

Individual Director Evaluation Process
In response to one of the recommendations in the 2009 Board Evaluation Report, the Committee considered several options for individual Director evaluation. After discussion, the Committee proposed a recommendation for the Board's consideration. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the adoption of the following approach to individual Director evaluation:
>
> 1. A self-assessment approach should be adopted for individual Director evaluation, employing the questionnaire presented in the material.

s.21(1)(a)

3. Individual Board members should feel free to provide their **confidential** comments about other Board members to the Chair of the Board, who will decide whether to reference any portion of these comments during the “fireside chat”.
4. The individual Director evaluation will proceed in conjunction with the overall Board evaluation, with the next one scheduled to begin in January 2011 and the results to be reported to the Board in May 2011.

MOTION CARRIED

Director Compensation
In response to a suggestion by the President and CEO, a memorandum was prepared for the Committee summarizing the changes to the Board compensation regime in recent years and outlining the options and process involved should the Board decide to proceed with further changes at this time.

The Committee decided, after discussion, to defer further consideration of the matter until May 2011, in light of: (i) the fact that the Government has not yet responded to the recommendations of the Stephenson Committee; and (ii) under the Expenditure Restraint Act, the restraint period continues until March 31, 2011.

Committee Appointments
Two Committee appointments, as recommended by the Chair of the Board, were presented and the Committee recommended their approval. The Board adopted the Committee’s recommendation.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the appointment of Ted Boyd as a member of the Audit Committee and as a member of the Nominating and Governance Committee, to serve until the next annual meeting of the Corporation (June 2011) or until a review of Committee membership is conducted, whichever is sooner.

MOTION CARRIED

Annual Conflict of Interest Declarations
The Board was informed that all Board members have completed and filed their annual declarations with the Corporate Secretary.

<u>HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT</u>

Tim Casgrain, Chair of the Board, presented the report on behalf of the Chair of the Committee.

s.19(1)
s.21(1)(a)
s.21(1)(b)

MOTION CARRIED

Committee Terms of Reference
A copy of the proposed revisions to the Committee's Terms of Reference, as recommended by the Committee, was circulated to the Board together with a memorandum highlighting the key changes. Ms. Bertrand responded to a question regarding the approval of compensation packages for Vice-Presidents and after discussion, the Board adopted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the revised Terms of Reference for the Human Resources and Compensation Committee as presented.

MOTION CARRIED

Employee Engagement Survey
A corporate-wide engagement survey of all employees was launched on September 20th and the President and CEO advised what he hoped to achieve as a response rate and why.

Succession Planning Process
The Committee was briefed on the implementation of the succession planning process introduced in the fall of 2009. A pool of candidates has been identified and the design of development programs for the individuals concerned is in progress.

Update on Executive Search for EVP – English Services
The Committee and the Board were briefed with respect to the search underway for the Executive Vice-President – English Services. The firm selected is Egon Zehnder, the target completion date is March 1, 2011, and regular updates will be provided as the search progresses.

AUDIT COMMITTEE REPORT

Peter Charbonneau, Chair of the Committee, presented the report.

CFO Report
Suzanne Morris presented her report to the Committee, highlighting the following: : (i) highlights of operating results as at June 30, 2010; (ii) recent economic highlights; (iii) IFRS and Quarterly Public Reporting; (iv) the Financial Flexibility Project; (v) Driving towards 2015 – Strategic Plan; (vi) some preliminary observations on the impact of the Bell-CTV deal; (vii) the timing of the Corporation's next Special Examination; and (viii) a status update with respect to progress on key 2010-2011 Finance priorities.

Update on IFRS Conversion Project and Quarterly Financial Reporting
The Committee received an update on the status of the IFRS Conversion Project and the preparations for quarterly financial reporting, both of which are proceeding on schedule and on budget, with no critical issues outstanding at the present time.

Amendment to M2 Universal Contract for Media Buying Services
The Committee approved an amendment to the contract to provide greater flexibility with respect to promotional expenditures in order to achieve better alignment with the media promotional strategy.

Other Reports
The Committee also received the following reports, updates, and information: (i) summary of the provisions of the Financial Administration Act applicable to CBC/Radio-Canada; (ii) Risk Management Update; and (iii) Quarterly Internal Audit Report – 1st Quarter.

UPDATE FROM THE PRESIDENT AND CEO

Mr. Lacroix provided a brief report to the Board on his meeting the previous evening with the Minister, outlining the topics covered and summarizing the content of their discussions.

REPORT ON CBC/RADIO-CANADA'S 75TH ANNIVERSARY PLANS

Kirstine Stewart, Interim Executive Vice-President, English Services, Sylvain Lafrance, Executive Vice-President, French Services, Bill Chambers, Vice-President, Branding, Communications and Corporate Affairs, Suzanne Morris, Vice-President and CFO, and Francine Letourneau, Chief of Staff, Office of the President and CEO, joined the meeting.

Bill Chambers presented an overview of the plans underway to mark the 75th anniversary of CBC/Radio-Canada. The material distributed in advance of the meeting covered the following topics:

Key objectives, timing and nature of the celebrations
Target audiences, associated themes, logos and slogan
Corporate projects and initiatives
Joint CBC/Radio-Canada projects
Distinct French and English network projects

Mr. Lafrance and Ms. Stewart each provided a brief summary of the activities planned for French Services and English Services and management responded to questions from Directors on: (i) the involvement of the Corporation's advertisers and suppliers; (ii) events planned for each regional facility; (iii) budgeting/costs of the events; (iv) the potential for sponsorships and endorsements; and (v) a possible conference on broadcasting. Further updates will be provided as plans progress.

Ms. Morris withdrew from the meeting.

UPDATE ON NEWS

Sylvain Lafrance and Kirstine Stewart provided an overview of the latest developments, progress and results for their respective news services. Topics covered included: (i) the debut of first poly-diverse news team in Toronto; (ii) results for the *National*; (iii) advertising sales results; (iv) radio news pilots; (v) changing format of *le Telejournal*; and (vi) on-going integration of resources. An improvement of the situation in News was duly noted.

STRATEGIC PLANNING COMMITTEE REPORT (CONTINUED)

Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships, joined the meeting.

Peter Charbonneau provided a brief summary of the input received from the members of the Bain team during the in camera discussion, and then, with the assistance of the President and CEO, recapped the points to be included in the next version of the presentation for the November Board meeting.

Michel Tremblay outlined the next steps in the process and highlighted the matters to be brought forward for consideration at the November Board meeting. Among these were: (i) the human resources component of the long term strategic plan; (ii) greater definition with respect to the financial aspects of implementation; (iii) a more comprehensive communications plan tailored to meet both internal and external requirements; and (iv) more details on the mobilization plan and structure. In the ensuing discussion, the subject of the delivery of services to minority language communities was considered and it was agreed that further specifics on how the Corporation intends to deliver these services would be included in the materials presented to the November Board meeting.

John Young left the meeting.

Board members also commented on some of the factors referenced by management as key to successful implementation, including: (i) the importance of communicating the overall plan throughout the entire Corporation; (ii) with respect to the Corporation's ability to finance the plan, the need to identify and make choices with respect to service priorities; and (iii) the focus on achieving a balance between the constraints and the guiding principles. Lastly, the Board expressed its appreciation for the work done to bring the strategic plan to this stage and also for management's consideration of, and response to, input from the Board.

Mr. Tremblay, Mr. Chambers, Ms. Angevine and Ms. Letourneau withdrew from the meeting.

PROGRAMMING FEEDBACK

The Board took advantage of the opportunity to discuss specific issues and concerns with respect to certain television and radio programs in what was termed a "Be Programmer for an Hour" session. Kirstine Stewart and Sylvain Lafrance were both in attendance for the discussion of these topics.

CONCLUDE

There being no further business to discuss, the meeting concluded at 1:30 p.m.

APPENDIX 1

SUPPLEMENTARY RESOLUTION

SALE OF BROSSARD AM TRANSMISSION SITE AND RELOCATION OF STANDBY FM TRANSMISSION SERVICES

WHEREAS:

A. CBC/Radio-Canada (the "**Corporation**") is the owner of a 1 820 428 sq ft transmission site in the City of Brossard (QC) (the "**Brossard Site**");

B. The Brossard Site is no longer used for signal transmission purposes since the migration from CBF 690 AM band to CBF-FM 95,1 FM Première Chaîne and CBM 940 AM band to CBME-FM 88,5 FM Radio One;

C. The primary transmission site for the Première Chaîne and Radio One is located atop Mount Royal in the heart of Montreal (the "**Mount Royal Site**");

D. Presently, the Brossard Site is used only for standby transmission services for Première Chaîne, Espace Musique, Radio One and Radio Two;

E. The standby transmission services can be relocated to the Mount Royal Site without any diminution in signal quality or coverage, thereby enabling the disposition of the Brossard Site to generate a net financial gain for the Corporation;

F. Management has determined that it is in the best interests of the Corporation to relocate the stand-by transmission services and to dispose of the Brossard Site to realize the financial gain;

G. The relocation project involves the relocation of standby services to the Mount Royal Site, and the decommissioning and sale of the Brossard Site, with a project timeline of approximately 4 months;

H. Under the *Broadcasting Act*, the approval of the Governor-in-Council is required to authorize the Corporation to sell the Brossard Site.

IT IS RESOLVED THAT:

(Approving Project) The Corporation be and is hereby authorized to proceed with the sale of the Brossard Site (the "**Project**"), including the decommissioning of the Brossard Site and its disposition (the "**Transactions**"), subject to the following conditions:
(a) the approval of the Governor in Council; and
(b) the Corporation not being otherwise prevented from retaining for its own corporate use the proceeds of disposition of the sale of the Brossard Site (the "**Conditions**");

(Approving the negotiation of the Transaction Documents) The Corporation be and is hereby authorized to negotiate and eventually enter into all the required ancillary documents in order to give effect to the Transactions (hereafter the "**Transaction Documents**"), subject only to the Conditions and any other reasonable terms and conditions reasonably agreed to by the Corporation and the Purchaser.

(Approving the signing of Treasury Board Submission and Transaction Documents) Either the President and CEO, or the Vice President and Chief Regulatory Officer, together with the Vice President and Chief Financial Officer or their respective delegates, for and on behalf of the Corporation be and are hereby authorized to (i) sign and execute on behalf of the Corporation the Transaction Documents (ii) sign and file any Treasury Board submission to obtain the required Order in Council and (iii) if required, to sign and file any Treasury Board application to obtain the permission to retain the proceeds of the sale for its own Corporate use and beyond any carry-over provision typically allowed annually to the Corporation by Treasury Board policies.

(Further authority) Any one of the Vice President and Chief Regulatory Officer, the Vice President and Chief Financial Officer or the Vice-President, Real Estate, Legal Services and General Counsel, or their respective delegates are hereby authorized for and on behalf of the Corporation to take any and all action, to do all things, to execute under the corporate seal of the Corporation or otherwise such instruments and documents and to deliver all instruments, documents and materials as are necessary or desirable or convenient and proper to give effect to the foregoing resolutions.

APPENDIX 2

SUPPLEMENTARY RESOLUTION

RIMOUSKI MULTIMEDIA PRODUCTION CENTRE PROJECT

WHEREAS:

A. CBC/Radio-Canada (the "**Corporation**") is the owner of a building in a residential part of the City of Rimouski (QC) (the "**Rimouski Property**") where the corporation conducts part of its radio and television operations for Eastern Quebec;

B. The Rimouski Property is 60 years old and is in need of repairs and renovations;

C. In implementing the "Driving towards 2015" strategy, and to broadcast in HD for Eastern Quebec, the temporary control room used for the production of the Eastern Quebec newscast must be replaced and installed in an HD production facility;

D. The "Driving towards 2015" strategy also requires the creation of an integrated radio, television and web production centre to act as a hub and serve the Eastern Quebec;

E. Presently, the Eastern Quebec operations are conducted from several locations and consequently the Corporation does not use its resources in an optimal fashion;

F. Management has determined that it is in the best interests of the Corporation to relocate the operations presently carried out of the Rimouski Property and consolidate the Eastern Region operations in a new location in downtown Rimouski in order to implement the "Driving towards 2015" strategy and to optimize its production resources (the "**Project**");

G. The Project involves the disposition of the Rimouski Property, the negotiation and execution of a long term lease for a new location in downtown Rimouski (the "**New Location**") and the relocation to the New Location;

H. Under the *Broadcasting Act*, the approval of the Governor-in-Council is not required to authorize the Corporation to sell the Rimouski Property and to lease the New Location.

IT IS RESOLVED THAT:

(Approving Project) The Corporation be and is hereby authorized to proceed with the Project involving several constituent transactions, including the decommissioning and sale of the Rimouski Property, the choosing and the long term leasing of the New Location (the "**Transactions**");

(Approving the negotiation of the Transaction Documents) The Corporation be and is hereby authorized to negotiate and eventually enter into all the required documents in order to give effect to the Transactions (hereafter the "**Transaction Documents**"), subject only to the approval by the Real Estate Committee of this Board of the final financial parameters of the Transactions and any other reasonable terms and conditions reasonably agreed to by the Corporation.

(Further authority) Either the Executive Vice President, French Services, or the Vice-President, Real Estate, Legal Services and General Counsel, together with the Vice President and Chief Financial Officer, or their respective delegates be and are hereby authorized for and on behalf of the Corporation to take any and all action, to do all things, to execute under the corporate seal of the Corporation or otherwise such instruments and documents and to deliver all instruments, documents and materials as are necessary or desirable or convenient and proper to give effect to the foregoing resolutions.

APPENDIX 3

SUPPLEMENTARY RESOLUTION

HALIFAX CONSOLIDATION PROJECT

WHEREAS:

A. CBC/Radio-Canada (the "**Corporation**") carries out its maritime regional operations from Halifax (NS) out of two buildings owned by the Corporation, the 73 year-old Sackville Street building which houses radio operations (the "**Sackville Property**") and the 55 year-old Bell Road building which houses television operations (the "**Bell Road Property**");

B. Both buildings are in serious need of repair and require substantial renovations to avert threats to business continuity;

C. Since operating out of 2 locations is inefficient, English Services proposes to combine operations in a single location to achieve a better integration of its services and use its resources in an optimal fashion and eliminate excess capacity;

D. Management has determined that it is in the best interests of the Corporation to expand the building on the Bell Road Property to house both television and radio services and to dispose of the Sackville Property (the "**Project**");

E. The Project involves:

   i. expansion of the building on the Bell Road Property;
   ii. sale and leaseback or lease and leaseback of the expanded Bell Road building, to generate the funds necessary to complete the Project;
   iii. sale of the Sackville Property;
   iv. leasing of technical equipment;
   v. relocation of the radio services to the expanded Bell Road building; and
   vi. hiring of financial advisors to advise the Corporation on the financial aspects of the Project.

F. Under the *Broadcasting Act*, the approval of the Governor-in-Council is required to authorize the Corporation to sell and/or lease and leaseback the Bell Road Property.

IT IS RESOLVED THAT:

(Approving Project) The Corporation be and is hereby authorized to proceed with the Project involving several constituent transactions, including the hiring of construction professionals and advisors, the hiring of contractors, the hiring of financial advisors to structure the transaction, the sale and/or lease of the Bell Road property and its long term leaseback and the decommissioning and sale of the Sackville Property (the "**Transactions**") the whole being subject to:

i. the approval of the Governor in Council as required;
ii. the proceeds of the financing transaction of the Bell Road Property being sufficient to satisfy the real estate funding requirements of up to and the term of the long term lease for the Bell Road Property shall not be less than 20 years and the lease shall contain a bargain price purchase option;
iii. the Corporation not being otherwise prevented from retaining for its own corporate use the proceeds of disposition (either by sale or by lease) of the Bell Road Property;
iv. the proceeds of the sale of the Sackville Property not being less than

vi. the final financial terms of the transaction being approved by the Real Estate Committee of this board (collectively the "**Conditions**").

(Approving Hiring of Underwriter/Financial Advisor) The Corporation be and is hereby authorized to enter into an agency and/or underwriting agreement (collectively, the "**Agency and Underwriting Agreement**"), upon terms and conditions acceptable to the Corporation, with financial consultants to be chosen by the management of the Corporation.

s.18(a)
s.18(b)

(Approving the sale of the Sackville Property) The Corporation be and is hereby authorized to negotiate and eventually enter into a sale agreement with one or more purchasers to be determined subsequently subject only to the Conditions above and the approval of the Real Estate Committee of this Board and any other terms and conditions agreed to by the Corporation (the "**Sackville Sale Agreement**").

(Approving the leases for the technical equipment) The Corporation be and is hereby authorized to negotiate and eventually enter into lease agreements for technical equipment with one or more lessors subject only to the Conditions above and the approval of the Real Estate Committee of this Board and any other terms and conditions agreed to by the Corporation (the "**Technical Equipment Lease Agreements**").

s.18(b) **(Approving the negotiation of the Transaction Documents)** The Corporation be and is hereby authorized to negotiate and eventually enter into all the documents that would be necessary or desirable in order to give effect to the Transactions (hereafter the "**Transaction Documents**"), including, for certainty and without limitation, the Agency and Underwriting Agreement, the Sackville Sale Agreement,

subject only to the Conditions above and any other terms and conditions agreed to by the Corporation as evidenced by the signature of two of its officers designated hereafter.

(Approving the signing of Treasury Board Submission(s) and Transaction Documents) Either the President and CEO, or the Vice President and Chief Financial Officer, together with the Vice-President, Real Estate, Legal Services and General Counsel or their respective delegates, for and on behalf of the Corporation be and are hereby authorized to (i) sign and execute on behalf of the Corporation the Transaction Documents (ii) sign and file the Treasury Board submission(s) to obtain the required Order(s) in Council.

(Further authority) The Vice President and Chief Financial Officer together with the Vice- President, Real Estate, Legal Services and General Counsel or their respective delegates are hereby authorized for and on behalf of the Corporation to take any and all action, to do all things, to execute under the corporate seal of the Corporation or otherwise such other instruments and documents and to deliver all instruments, documents and materials as are necessary or desirable or convenient and proper to give effect to the foregoing resolutions.

Internal Memo
Note de service

CBC Radio-Canada

s.21(1)(a)
s.21(1)(b)

TO/À:

CBC Board of Directors

CC:

Bill Chambers
Kirstine Stewart
Sylvain Lafrance
Suzanne Morris
Francine Létourneau
Stan Staple
Mark Allen

Date ➢ **November 8, 2010**

From/De ➢ **Senior Vice-President, Corporate Strategy & Business Partnerships**

Subject/Objet ➢ **Leaders' Forum Input**

On October 14-15, we consulted 100 of the top CBC/Radio-Canada executives on our new strategic directions "Towards 2015". Union leaders were also present at the meeting and were actively involved in the discussions.

Numerous workshops and meetings were held to present and position the strategic initiatives contained in the Plan. More specifically we discussed:

- The Mission statement and related Guiding principles
- The Program strategies
- The Regional strategy
- The Platform strategy
- The People strategy to support these directions;
- The Communications strategy; and
- Presented limited financial information about how we could fund the Plan.

By all measures, the Forum was a success and our Leaders came out in strong support of the direction,

Michel Tremblay

Leaders Forum Input

AN OVERVIEW OF THE LEADERS FORUM MEETING

Prepared for the Board of Directors / November 16-17, 2010

Introduction

- **On October 14 and 15 in Montreal, we consulted nearly 100 of the top executives in the Corporation on our 5-year Strategic Plan**
  - Presentations on the plan
  - 24 workshops on elements of the strategy and follow-up Q&A sessions
  - Follow-up questionnaire on the success of the event

- **Our Leaders are supportive of the new strategic direction**
  - The mission/metrics framework largely resonated with our leaders
  - The programming directions demonstrated we are building on our successes
  - Participants want to quickly implement the regional strategy

s.21(1)(b)

s.21(1)(b)

Participants Survey

Comments from the Participants Survey

s.21(1)(b)

Workshop Evaluation Framework

s.21(1)(b)

Leaders' Input: Highlights

Legend: Support Caution Concern

Results	Leaders' Forum	In Their Words…	Actions

Mission

s.21(1)(a)
s.21(1)(b)

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

National Programming

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

Regions

s.21(1)(a)
s.21(1)(b)

Legend: Support Caution Concern

Theme	Description	In Their Words…	Actions

Platforms

s.21(1)(a)
s.21(1)(b)

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

A0047331_11-000391

Finance

s.21(1)(a)
s.21(1)(b)

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

People and Culture (1/2)

s.21(1)(a)
s.21(1)(b)

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

s.21(1)(a)
s.21(1)(b)

People and Culture (2/2)

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

Communications

s.21(1)(a)
s.21(1)(b)

Legend: Support Caution Concern

Theme	Description	In Their Words...	Actions

Internal Memo
Note de service

CBC Radio-Canada

Date ➢ **November 8, 2010**

From/De ➢ **Senior Vice-President, Corporate Strategy & Business Partnerships**

Subject/Objet ➢ **Driving Towards 2015: November 16-17, 2010**

TO/À:

CBC/RC Board of Directors

c.c.
Hubert T. Lacroix
Meg Angevine
Maryse Bertrand
Bill Chambers
Sylvain Lafrance
Katya Laviolette
Francine Létourneau
Suzanne Morris
Kirstine Stewart

Attached is the final presentation of our new Corporate Strategy "Driving Towards 2015". We have come a long way and will be seeking your approval of our new strategic plan at the November meeting.

At your last meeting in September, you were presented with the complete strategy and indicated that it had your support, subject to:

- Refining our strategy relating to Aboriginal Canadians and our presence on the International scene, and
- Indicating how our regional strategy will enhance our service to minority language communities.

We have made these refinements and added to two new elements outlining:

- The 'People' dimension of the strategy, and
- Our Communications and roll-out plan.

Since we last met with you in September we have also consulted with our Leaders who were supportive of our new long-term plan. The Leaders' input on how we can best implement the strategy has been provided to you in a separate document.

Our new strategic plan has evolved as we consulted senior management, the Media, Industry experts outside CBC/Radio-Canada, and you, our Board over the past ten months. We are confident that the plan sets a realistic, but dynamic course for Canada's public broadcaster to 2015 and looking forward to discussing it with you.

Regards,

Michel Tremblay

Driving Towards 2015:
Long-Term Strategic Planning

CBC/Radio-Canada Board of Directors
November 16-17, 2010

CBC Radio-Canada

Introduction

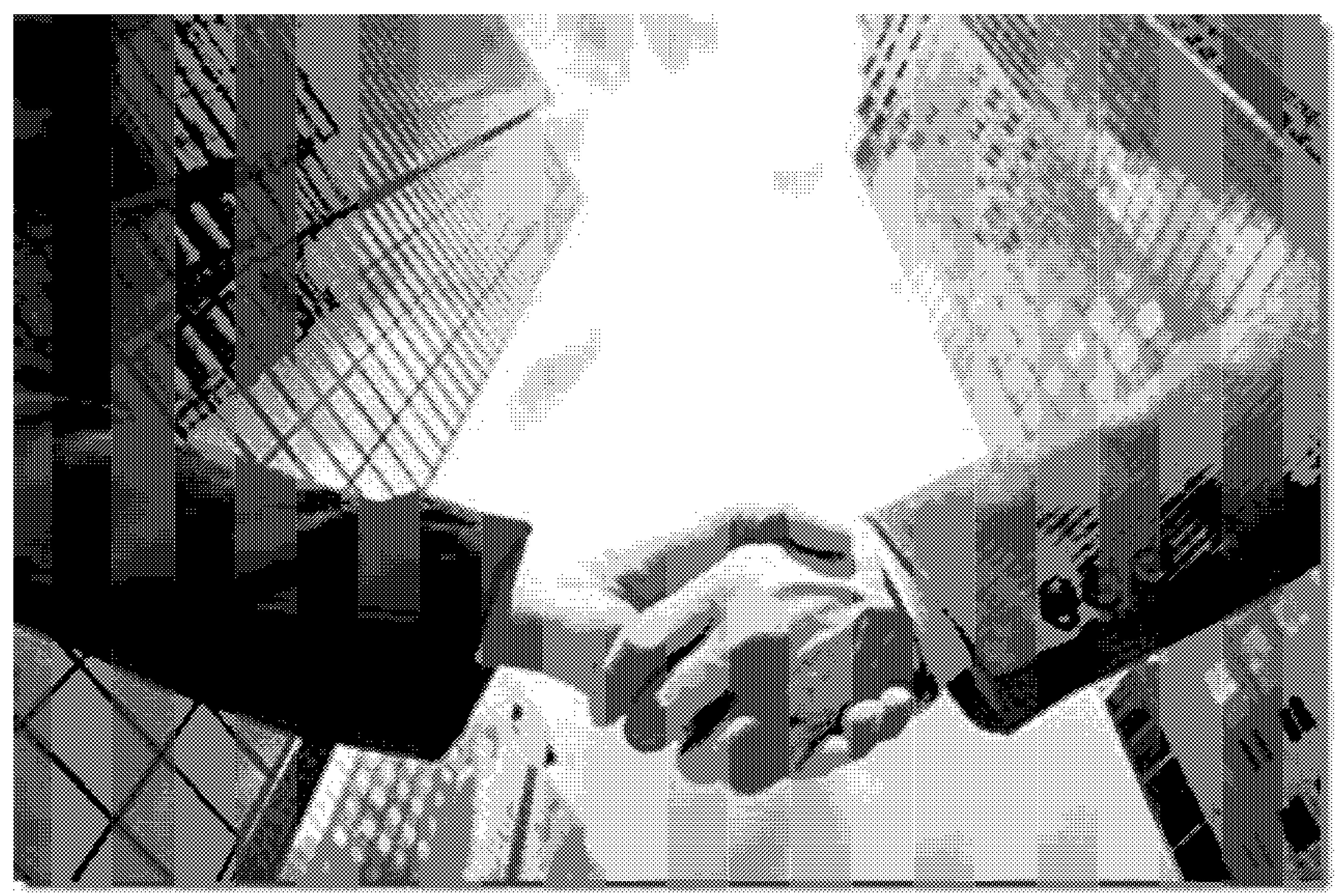
- **We have come a long way and are today seeking your approval of our new strategic plan**
- In **September**, the Board was presented with the complete strategy and indicated that it had its support, subject to:
  - Refining our strategy relating to **Aboriginal Canadians** and our presence on the **International scene**, and
  - Indicating how our regional strategy will enhance our **service to minority language communities**
- In addition, we have added two elements:
  - **Section 5:** The 'People' dimension of the strategy
  - **Section 7:** Our Communications and roll-out plan
- As well, the introduction includes two new elements :
  - The highlights of the **Leaders Forum** held on October 14th and 15th
  - **Major transactions** that have changed the landscape

Our Leaders Are Behind the Strategic Plan

- **On October 14 and 15 in Montreal, we consulted with 100 of the top executives in the Corporation on our 5-year Strategic Plan**
  - Steering and Working Team presentations on the plan
  - 24 workshops on elements of the strategy and follow-up Q&A sessions
- **Our Leaders are supportive of the new strategic direction**
  - The mission/guiding principles framework largely resonate with our leaders
  - The programming directions demonstrated we are building on our successes
  - Participants want to quickly implement the regional strategy
- **The Leaders' input will help push implementation forward**
  - Participants generally wanted more detail than we could provide them at this stage
  - The input will be helpful for the implementation stage, particularly for platforms, financing, people & culture and communications plans

New Section

Major Transactions Have Changed the Landscape



Major Transactions Continue to Alter the Competitive Landscape

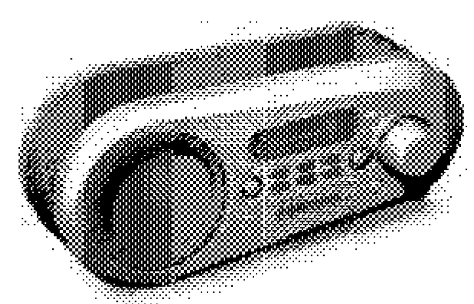
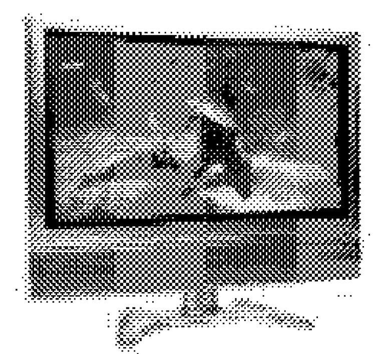
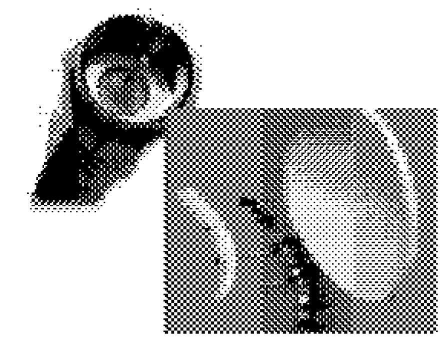
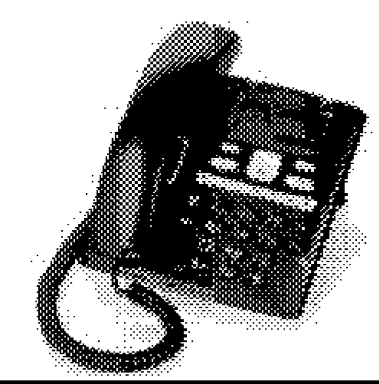
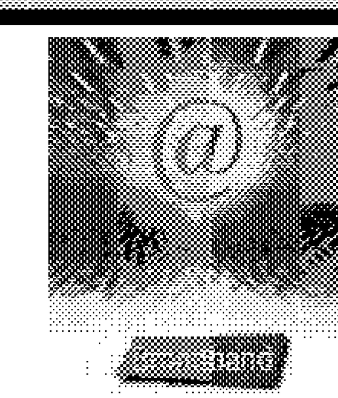
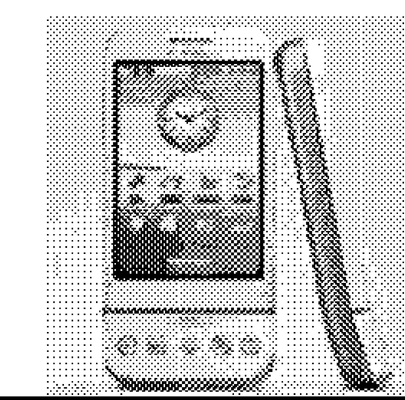
- **Shaw acquired Canwest for $2 billion**
  - Global and specialty TV networks, but not the newspaper assets
  - The deal has been approved by the CRTC

- **BCE acquired the remaining 85% of CTV it did not already own for $3 billion**
  - CTV network and its coveted specialty TV assets (e.g. TSN)
  - The deal is pending regulatory approvals
  - Subsequently, TSN expands its NHL schedule (i.e. Habs)

- **Quebecor continues to expand**
  - Launched mobile service
  - Continues to pursue hockey franchise (i.e. Quebec City)

Major Transactions Have Changed the Landscape

CBC/Radio-Canada is the Last Independent National Broadcaster

	Broadcast			Telecom			
Company							Estimated 2009 Revenues
Bell	New ✓	New ✓	New[1] ✓	✓	✓	✓	$16.3B
ROGERS	✓	✓	✓	✓	✓	✓	$10.4B
SHAW	New ✓	New ✓	✓	✓	✓	New: 2011 Launch Announced	$3.4B
QUEBECOR		✓	✓	✓	✓	New ✓	$2.2B
	✓	✓					$1.7B

1. Commercial rollout of IPTV service in Montreal and Toronto to complement their satellite TV service

What Does It All Mean to Us?

s.18(b) s.18(a)

s.18(b)

...But There Will Be Opportunities

Table of Contents

1. Overview

6 Goals Were Initially Set

New

Goals	How Did We Do?
1. **To promote alignment and a more consistent view amongst the Board, Senior management, the Media Lines and the overall Corporation around** the market evolution and CBC/ Radio-Canada's priorities	• The Board, Senior management and the Media Lines were all actively involved in the development of the Plan – this ensured buy-in from these key groups • The articulation of a clear mission/vision and associated guiding principles promotes alignment and ensures that we are all working from the same page • Our leaders agreed with this
2. **To accelerate current momentum** in increasing cultural leadership and impact	• The new mission clearly states that "CBC/Radio-Canada will be the recognized leader in expressing Canadian culture …." • Our programming strategy clearly sets out that we will stay the course and enhance our content (e.g. signature events) • Metrics have been specifically developed to monitor our progress in this area
3. **To provide additional "room to maneuver"** to deliver against a broad programming mandate	• This work is in progress and hinges on our ability to remain competitive in the market, enhance revenue, achieve efficiencies and capital review

6 Goals Were Initially Set

New

Goals	How Did We Do?
4. **To provide a strategic blueprint to** drive longer-term strategy and planning and inform near-term decisions	• The Corporate Strategy sets out a clear direction and guiding principles that focus on the future • A clear set of priorities have been developed that will guide ongoing day-to-day business decisions • Our leaders agreed with this/This work is in progress
5. **To clearly identify and size what investments are required** to **grow our presence in the media landscape**	• Key strategic thrusts were identified 1. Strategic investments and service improvements 2. Improvements to monetization and efficiency • All elements of the Plan have been fully costed/This work is in progress
6. **To ensure full benefits from CBC/Radio-Canada's overall scale, while reflecting and respecting inherent linguistic markets' differences**	• The new strategy has drawn our English and French services together around a number of common priorities, including a recognition of the importance of: • Ensuring that Canadians are Informed • The Regions • Entertaining Canadians, and • Reaching Canadians Whenever and Wherever they are (new platforms) • However the execution of the strategy respects the uniqueness of English and French markets in Canada • As well CBC/Radio-Canada Technology Strategy Board will provide significant assistance as the strategy rolls out

The Corporate Strategy is at a Different Level than Media's Strategy. It Provides Guidance to Our Overall Direction

	Corporate Strategy	Media Group Strategy
Definition	• **Vision, clear direction** and **guiding principles** that focus business on future • Clear set of **priorities** for guiding ongoing business decisions • "Filter" for evaluating **resource allocation** and investments • **Structure** and accountability for managing the overall enterprise	• **Strategy** to win with **Canadians** and be **competitive** in the market • Prioritization of **audience** segments and **programming** strategy • **Revenue** strategy and business unit-level **investment** decisions • Generally **aligned with corporate strategy**, at greater level of detail
Typical timeline	• Updated every ~5 years • Refined as needed to reflect changes in external environment	• Updated every 2-3 years, and refined as needed
Typical activities	• Portfolio management, M&A • Major new initiatives and investments (e.g., new platforms) • External stakeholder engagement	• Audience and programming strategy • Sales and pricing strategy • Product development

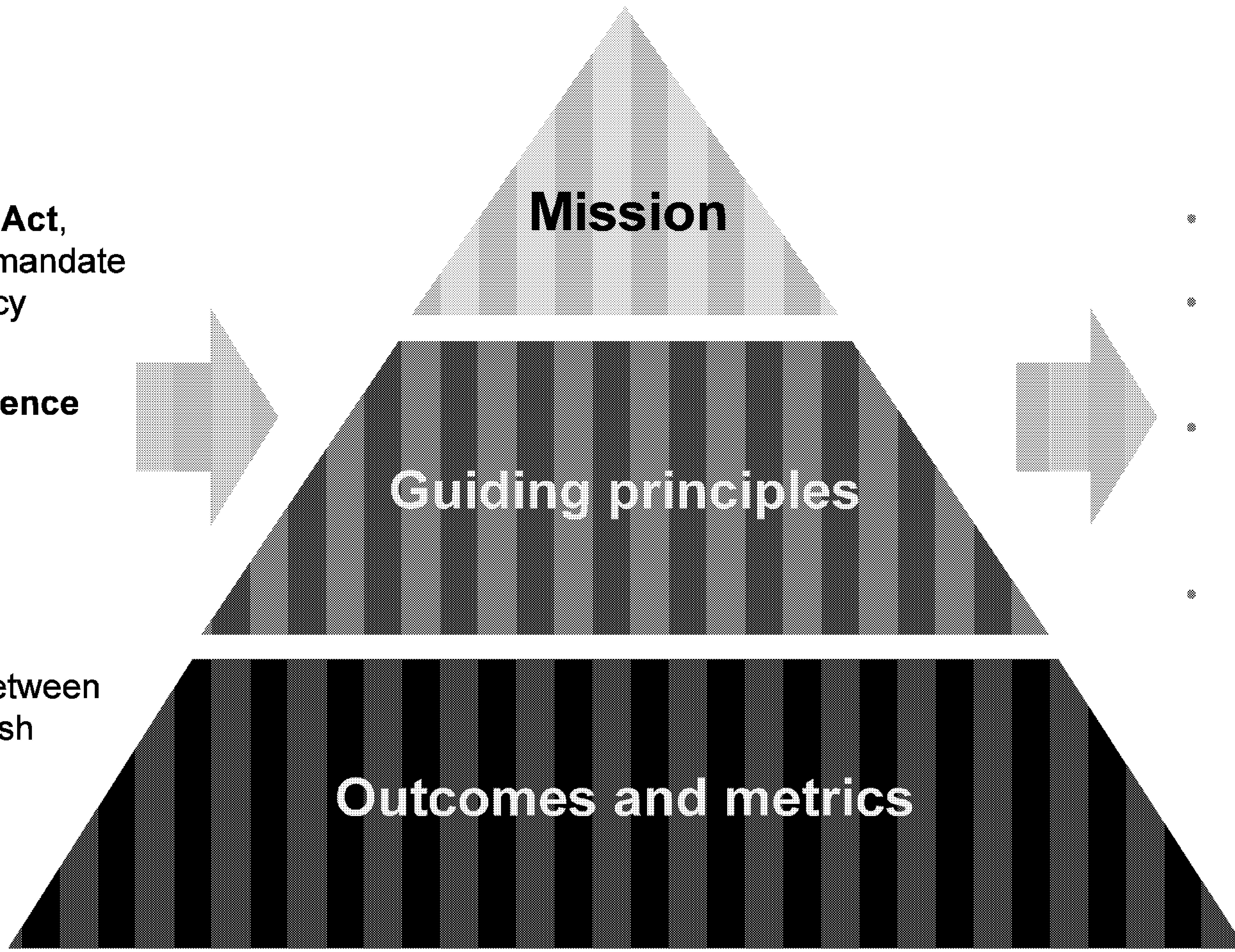
2. Mission Framework and Guiding Principles

The Mission Framework Comprises Three Elements

Mission Framework

Inputs

- **Broadcasting Act**, public service mandate and public policy
- Canadian **audience needs**
- **Competitive environment**
- **Differences** between French & English markets



Impact

- **Guides strategy**
- Defines **service priorities**
- "**Prism**" to inform ongoing and future decisions
- Sets **expectations for performance**

The Mission Statement

CBC Radio-Canada

CBC/Radio-Canada will be the **recognized leader** in **expressing Canadian culture** and **will enrich the democratic life** of all Canadians

- Creating and delivering **original and innovative, quality Canadian** content
- **Reflecting and drawing together** all Canadians
- **Actively engaging with audiences**
- Being **cost-effective and accountable**

The Guiding Principles

Mission

CBC/Radio-Canada will be the **recognized leader** in **expressing Canadian culture** and will **enrich the democratic life** of all Canadians through…

… original, innovative, quality "Canadian content"	… that reflects and draws together Canadians …	… actively engaging with audiences …	… while being cost-effective and accountable
• Creating and delivering **quality content** for, by and about Canada & Canadians – Leading in **Canadian cultural expression** – Offering a **distinctly Canadian perspective** • Investing in **differentiated programming** • Commitment to **'signature event'** programming	• Contributing to **shared national consciousness and identity** • Reflecting Canada's **multicultural diversity** • Reflecting **the regions** to themselves and to the country • Contributing to **diversity of voices and to social cohesion**	• **Serving a large number** of Canadians • Reflecting **content preferences** of Canadian audiences across a mix of genres • Adapting to **evolving media usage** of Canadians across platforms	• Delivering our services in the **most efficient manner** • Ensuring the **economic sustainability** of our services • Optimizing the percent of **funds** spent on **content**

Guiding principles

… and Provide a 'Wide Range' of Programming that Informs, Enlightens and Entertains

After Nine Months, an Integrated Strategy Has Emerged

1. CBC/Radio-Canada mission

CBC/Radio-Canada will be the **recognized leader** in **expressing Canadian culture** and will **enrich the democratic life** of all Canadians

2. Mission delivery guiding principles

- Creating and delivering **original**, **innovative, quality "Canadian content"**
- **Reflecting** and **drawing together** all Canadians
- Actively **engaging with audiences**
- Being **cost-effective** and **accountable**

3. Strategic priorities

3a. Programming genre priorities

- Regain **leadership in national & international news**, across all platforms
- Be a **leader in regional presence through a multimedia approach**
- Build on **cultural leadership in arts & entertainment** programming
- Annual commitment to **'signature event' programming**

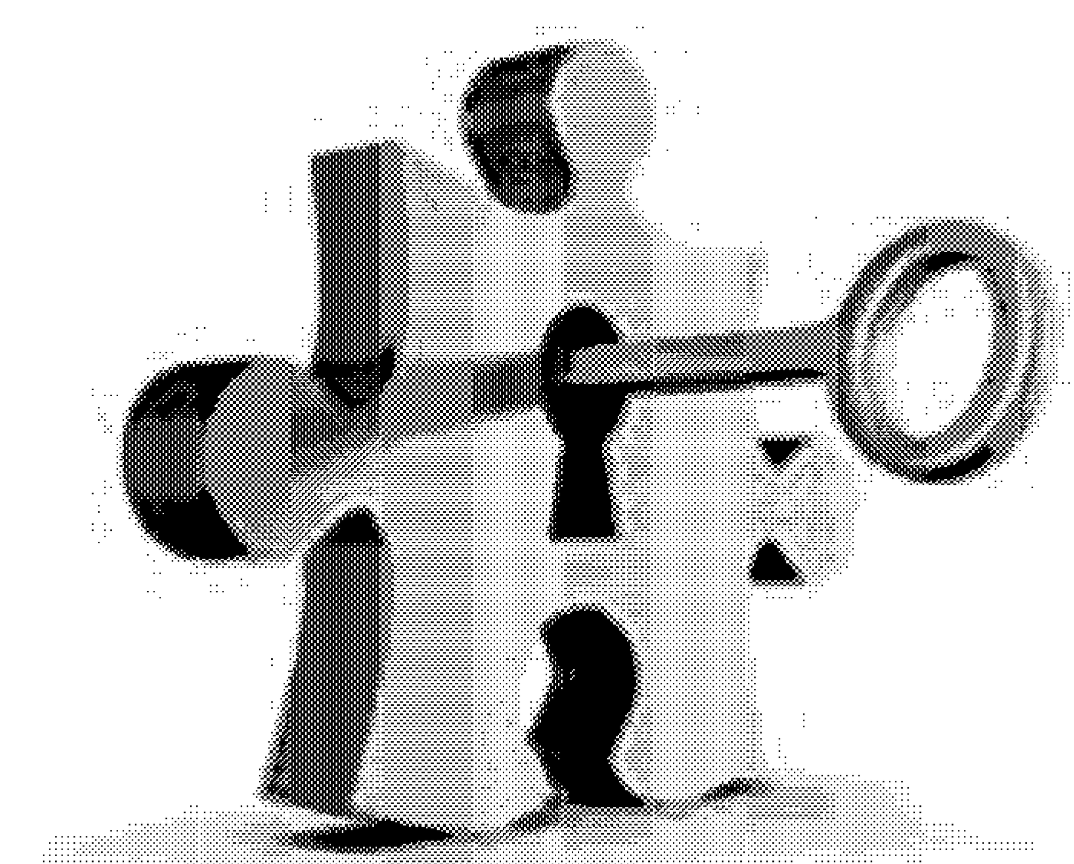
3b. Platforms/position

- **Maintain/enhance** position and audience reach in **conventional broadcast TV & radio**
- **Expand reach of CBC/Radio-Canada on other platforms**
  - Invest to establish leading presence in digital and non-linear (including unmatched multimedia regional presence)
  - Consolidate the position of existing specialty channels

4. Drive excellence in sales performance and resource efficiency

5. Ensure accountability and measurement against goals

3. Key Strategic Thrusts



Key Strategic Thrusts Fall into Two Categories

1. Strategic investments and services priorities

- Programming Priorities
- Regional
- Platforms (Digital & Specialty)

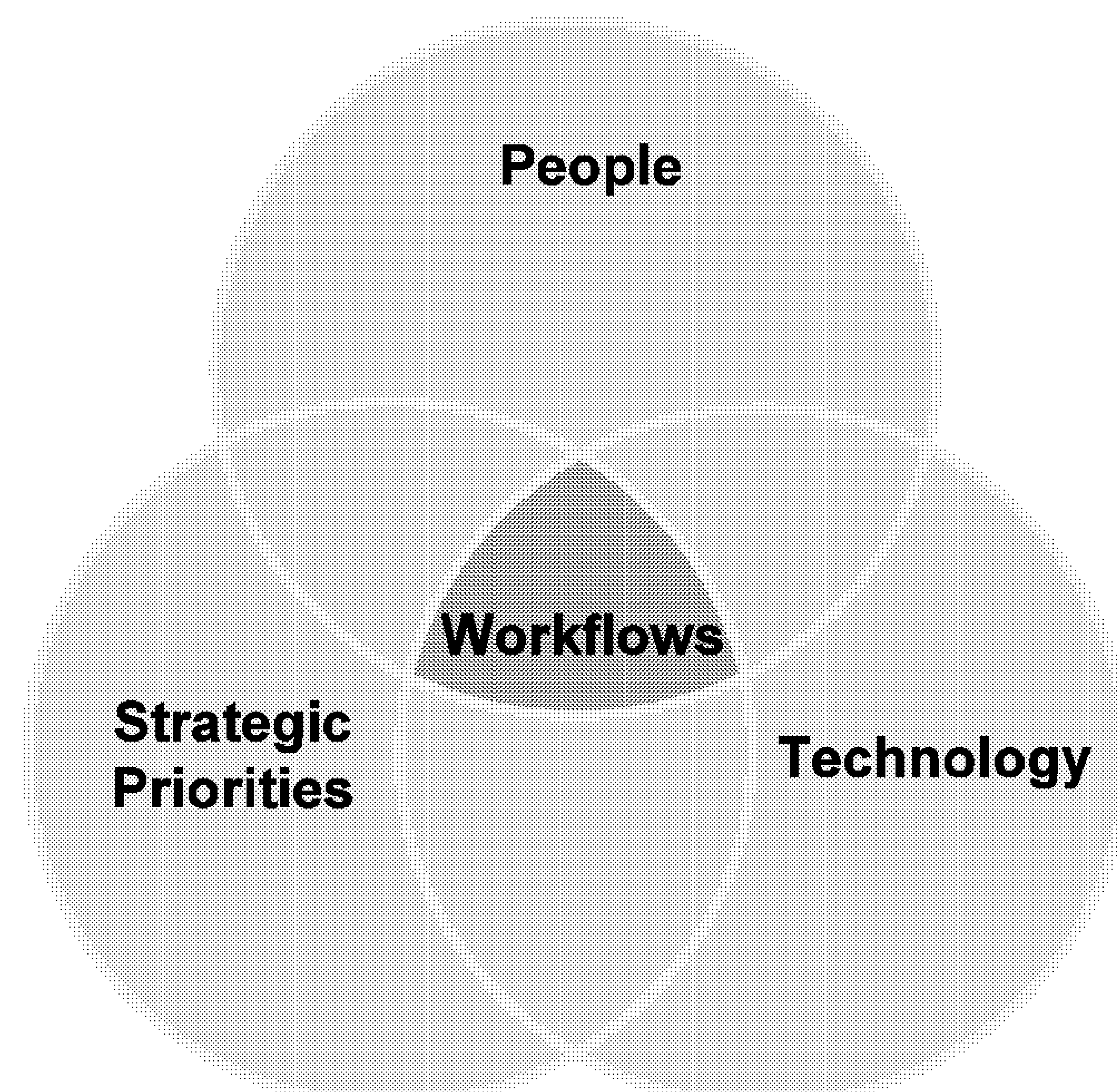
2. Improvements to monetization and efficiency

- Advertising/Monetization
- Operating Costs
- Capital Assets Review

Two Key Success Factors

New

- **Our people are our most important resource**
  - Engaging and mobilizing them is key to our success
- **Our Technology Strategy Board (TSB) will also play a key role**
  - Using technology and improving production methods are also essential to deliver on this plan and to generate the necessary efficiencies



Our New Strategy Draws Together English and French Services Around Common Priorities

News	Complete news renewal including multimedia expansion and integration – and grow audiences across all platforms
Regions	Increase the breadth and depth of our footprint – in terms of geography, 24/7 coverage and range of content
Arts & Entertainment	Continue to extend CBC/Radio-Canada's leadership in entertaining Canadians with their stories, their humour, their culture
New Platforms	As audiences migrate to new platforms, maintain a leading competitive position in the Canadian media environment

The Execution of the Strategy Will Respect the Uniqueness of the English and French Markets

3.1 Programming Priorities

3.1 Programming Priorities

English Services: Programming Actions to Support Future Trajectory

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Genre	Key actions	Expected Outcome/KPI
National & International News	• •	
Regional News	• •	
Current Affairs/ Radio Smart Talk	• • • •	
Documentary	•	
Drama/Comedy/ Factual	• • • •	
Signature Events	•	
Music	•	
Sports	• • •	
Kids	•	

French Services: Programming Actions to Support Future Trajectory

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Genre	Key actions	Expected Outcome/KPI
National & International News		
Regional News		
Current Affairs Magazines		
Documentaries		
Dramas		
Culture & Variety		
Signature Events		
Music		
Kids		
Sports		

The Reflection of Canada's Diversity is Woven Through Our Strategy

Three pillars

- **Our Brand** An inclusive, modern company reflecting the people we aim to serve
- **Our workforce** An employer open to Canadians of all origins and conditions; establishing targets and recruitment aids
- **Our programs** Improve and measure our reflection of diversity in: subject matter, on-air personalities; guests, actors, creative and production crews

- CBC/Radio-Canada is committed to reflecting the country's diversity through its programming. It's important that all Canadians be able to recognize themselves on-air and that its programs reflect the changing face of Canada on all platforms
- The Corporation is also focused on attracting a diversified talent pool, thus ensuring that diversity is incorporated into the way it recruits and develops its workforce
- Through this commitment, the Corporation can leverage our society's similarities and differences as it strives to become an open, inclusive and progressive organisation

Meeting the Needs of Aboriginal Canadians

- **According to Statistics Canada, there are 1.5 million First Nations people in Canada**
  - 5% live **above** the 60th parallel
  - 95% live **below** the 60th parallel
  - 250,000 speak Aboriginal languages
  - Largest language population are: Ojibway, Cree, Oji-Cree, and Inuktitut
- **CBC/Radio-Canada's Northern Service provides service to Canada's Aboriginal population in eight Aboriginal languages who live above the 60th parallel in eight languages** s.18(a) s.18(b)
  - While CBC North's overall budget is is dedicated to meeting the needs of First Nations people in their language s.68.1
- **In the next twelve months, French and English services will**

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CBC/Radio-Canada on the International Stage

CBC/Radio-Canada on the International Stage

A strategy focused on branding and programming

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3.2 Regional

Regional Services: Context

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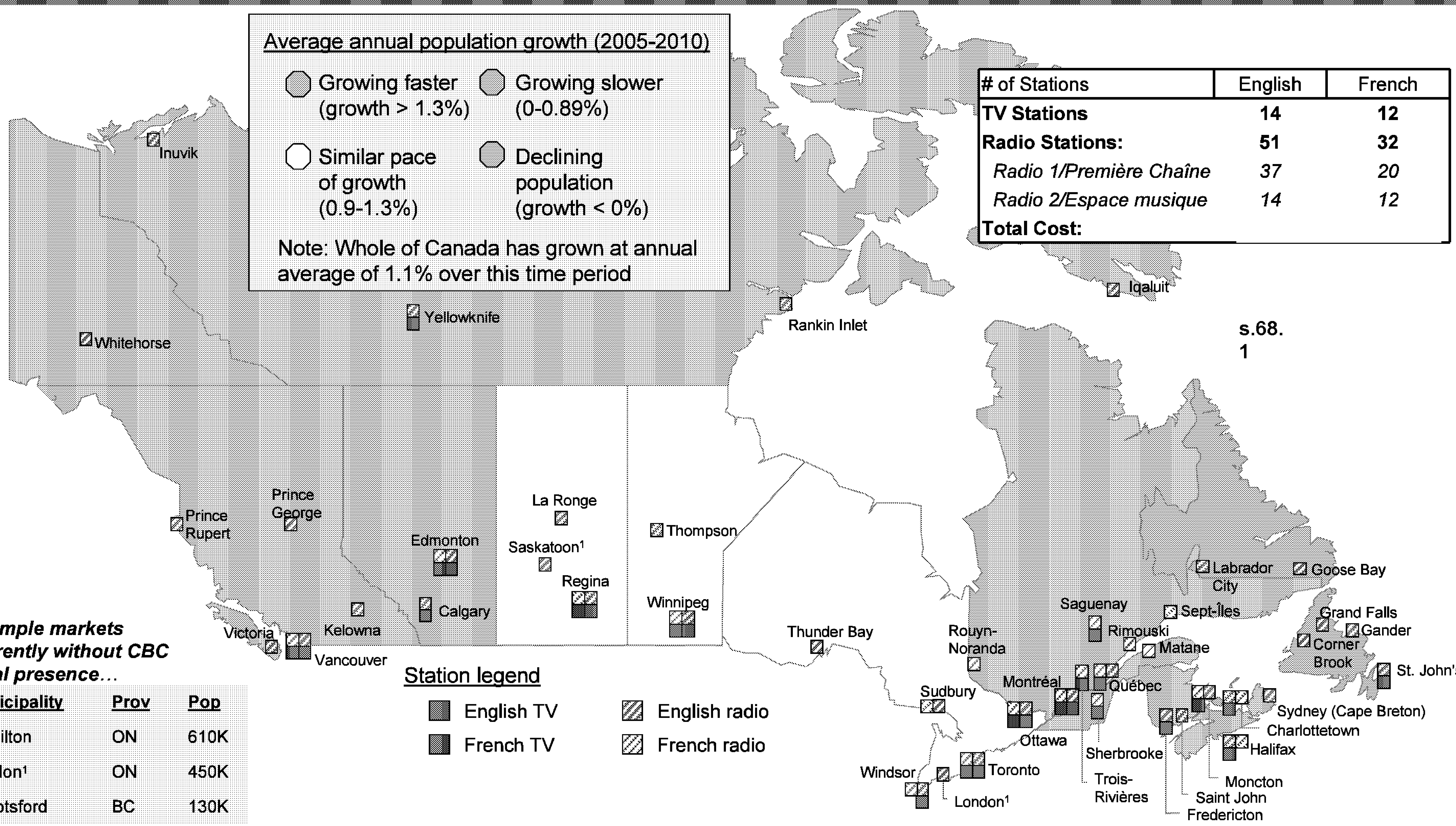
3.2 Regional

Current Footprint Does not Fully Reflect the Distribution of Canada's Population



# of Stations	English	French
TV Stations	**14**	**12**
Radio Stations:	**51**	**32**
Radio 1/Première Chaîne	*37*	*20*
Radio 2/Espace musique	*14*	*12*
Total Cost:		

Example markets currently without CBC local presence…

Municipality	Prov	Pop
Hamilton	ON	610K
London[1]	ON	450K
Abbotsford	BC	130K

Note: [1]Saskatoon and London shown as stations because CBC employees reside in these markets, complete local service is not delivered in these markets, only contributions to regional programs;
Source: CBC/Radio-Canada government relations station list (May 5, 2010); Statistics Canada quarterly population estimates (2005,2010)

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3.2 Regional

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Market Share of TV Local News Trails Competitors

Overview of Our Regional Strategy

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English Services Regional Strategy Actions and Objectives

Initiative	Key actions	Expected Outcome/KPI

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3.2 Regional

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Meeting the Needs of Minority Language Communities

New

1.

CBC Radio-Canada

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French Services Regional Strategy Actions and Objectives

Initiative	Key actions	Expected Outcome/KPI

Service to Minority Language Communities is at the Heart of French Services' Regional Strategy

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New

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1

Our Ability to Effectively Reach Minority Language Communities Depends On Access to Our Services

New

The CRTC Is Reviewing Its DTH Policy

New

- The CRTC is conducting a review of the Direct-to-Home Satellite Distribution Policy on November 16th
- Currently, neither Bell TV nor Shaw Direct carry all of our local television stations
  - CBC TV currently has 14 originating stations
  - Télévision de Radio-Canada has 13 originating stations

Number of CBC and Télévision de Radio-Canada Owned and Operated Television stations Carried by Bell TV and Shaw Direct

	Bell TV	Shaw Direct
CBC	11	10
Télévision de Radio-Canada	8	6

We Believe that DTH Distributors Should Be Required to Distribute on a "Local-into-local" Basis ALL Conventional Local Television Stations

3.3 Platforms (Digital & Specialty)

The Evolution of Media Consumption Has Shaped Our Platform Strategy

	SITUATION	IMPLICATION FOR CBC/RADIO-CANADA
Conventional TV	Traditional networks will continue to command large audiences, but are facing erosion to specialty	Our TV networks will remain our most important platforms to reach audiences
Specialty TV	Many niche channels comprising the bulk of viewing but now facing slower growth	Consolidate position of our existing specialty channels and expand portfolio when opportunities arise (e.g. through partnerships)
Terrestrial Radio	Conventional radio usage will remain significant, but listening faces erosion	Our radio networks will remain an important platform to reach audiences
New Platforms	New platforms are expected to grow rapidly - from their current small base	Smart significant investment in the platforms of the future

Overview of Our Platform Strategy: English and French Services

CBC/Radio-Canada commits to delivering its content on the multiple platforms that will be relevant to Canadians in 2015 and beyond

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1. **Strengthen/grow the competitive position of the existing multi-platform offering**

2. **Build a full suite of branded multi-platform Canadian destinations**

3. **Pursue expanded partnering opportunities** to enhance CBC/Radio-Canada existing set of properties

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3.3 Platforms (Digital & Specialty)

English Services Platform Strategy Actions and Objectives

Initiative	Key actions	Expected Outcome/KPI
Specialty TV channels		
Regional Online		
Genres Online		
Agility around emergent technology and behaviour		

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3.3 Platforms (Digital & Specialty)

French Services Platform Strategy Actions and Objectives

Initiative	Key actions	Expected Outcome/KPI
Strategic Investment in Digital Platforms		
Specialty TV channels		
Regional Digital		
Genre Digital		

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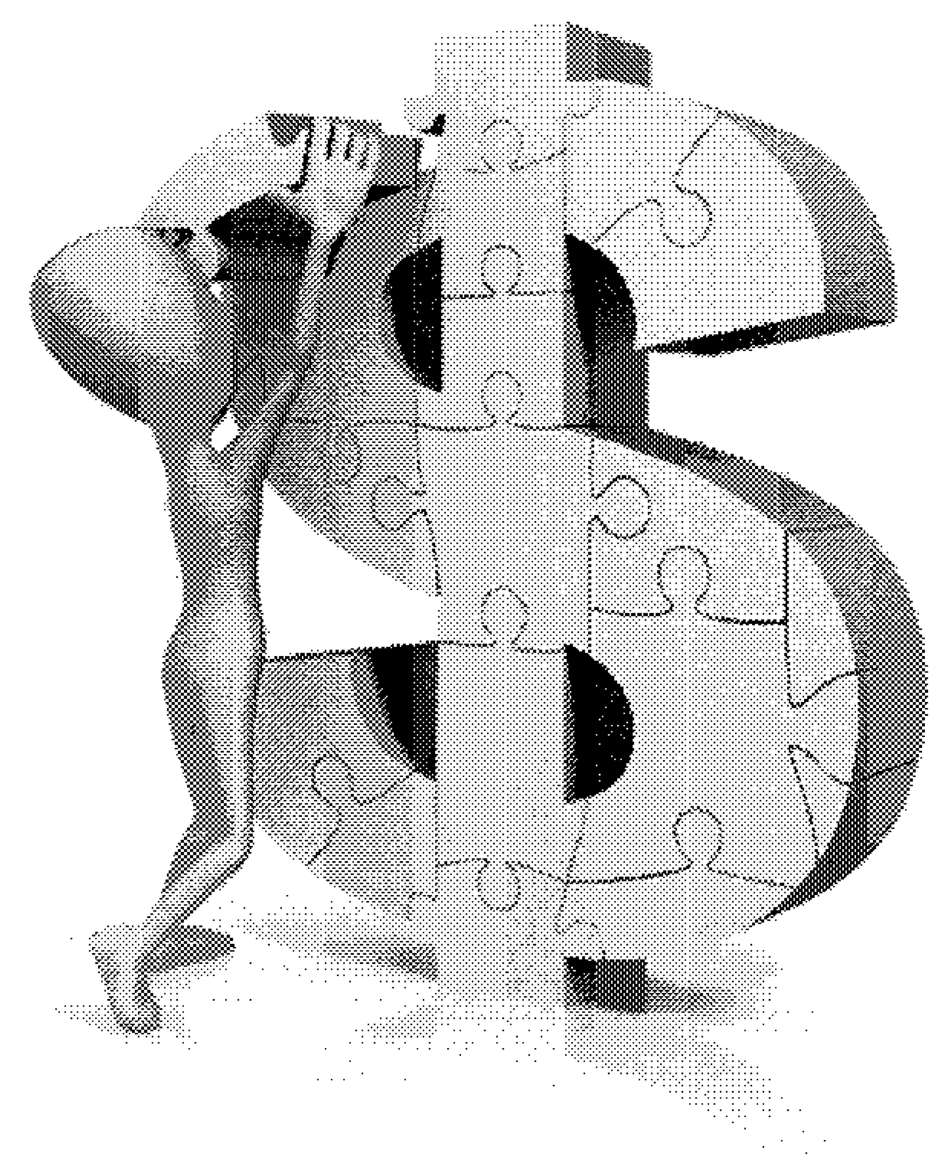
4. Funding the Strategy



Funding the Strategy - Financial Challenges

- **Now that the key strategic directions have been laid out, we must turn our attention to the financial investment required to deliver the strategy over the next 5 years**
- **Our focus must now shift towards optimization of resources to balance the overall financial plan and enhance the level of service to Canadians as per the strategic plan**

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Balancing the Financial Plan Is Achievable But Will Have to Be Done Through a Combination of Revenue Growth Initiatives, Cost Improvements and Resource Redirections

4.1 New Strategic Initiatives – Cost and Revenues

New Strategic Initiatives: Investment Roll Out – English Services

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	2011-12	2012-13	2013-14	2014-15	2015-16
Program Strategy					
Regional Strategy					
Platform Strategy					

New Strategic Initiatives – Cost and Revenues – English Services

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	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16

4.1 New Strategic Initiatives – Cost and Revenues

Strategic Initiatives: Investment Roll Out – French Services

	2011-12	2012-13	2013-14	2014-15	2015-16
Program Strategy					
Regional Strategy					
Platform Strategy					

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4.1 New Strategic Initiatives – Cost and Revenues

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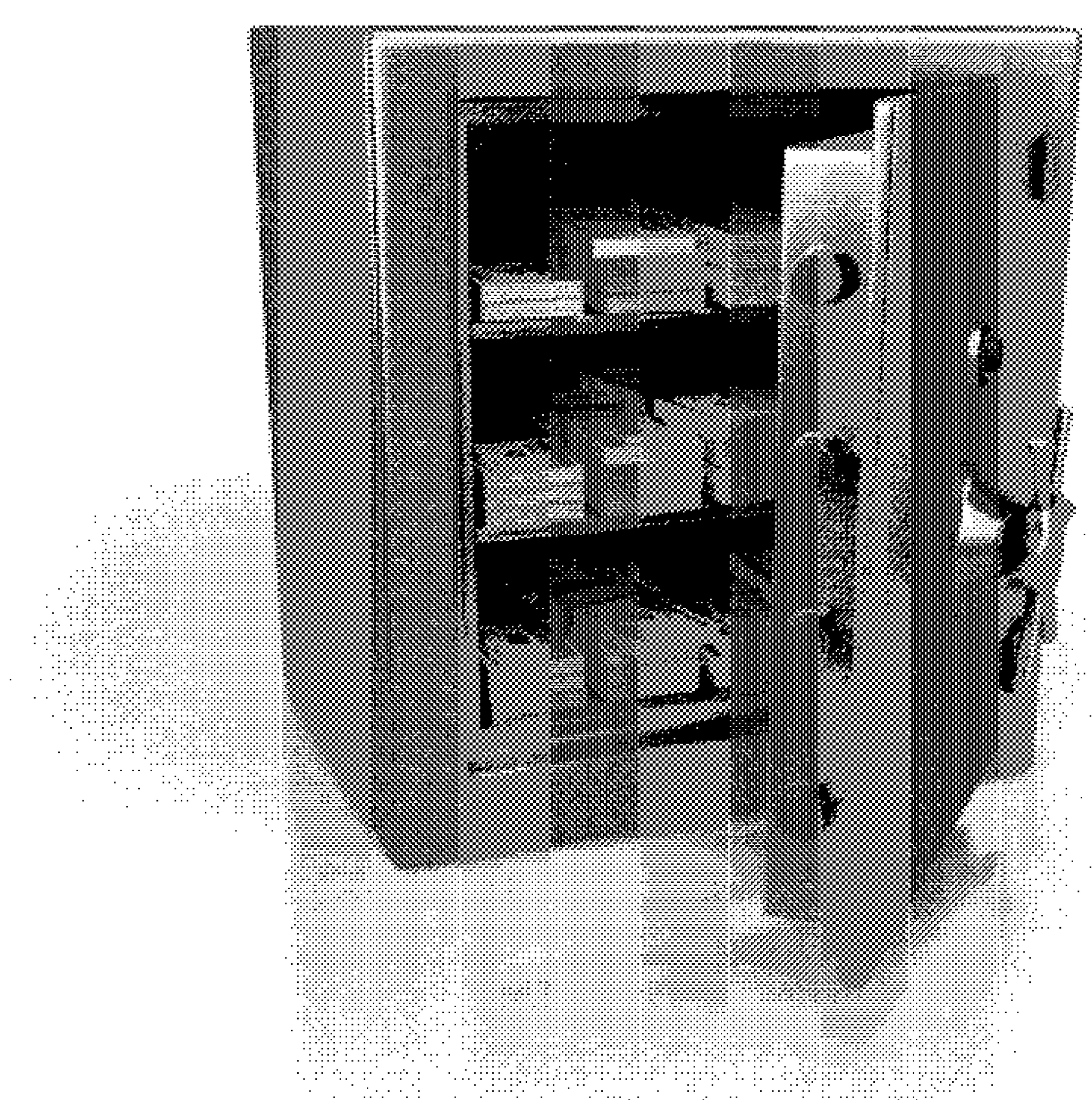
New Strategic Initiatives – Cost and Revenues French Services

	2010-2011 Forecast ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)	2013-2014 Forecast ($000's)	2014-2015 Forecast ($000's)	2015-2016 Forecast ($000's)

4.2 Maximizing Advertising Revenues



Maximizing Advertising Revenues

Revised

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- Advertising revenues remain a central element in balancing CBC/Radio-Canada's 5-year strategic plan

- Currently, 2010-2011 conventional television advertising revenues are forecast to exceed target by $15.3M (4.9%). This would represent growth of 13% from 2009-2010 advertising revenues

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4.2 Maximizing Advertising Revenues

English Services Projected TV Ad Revenues: The Potential for Improved Sales Performance Remains

- **Growth will be achieved through continued improvements:**

Increased audiences	***Improved go-to-market strategies***	***Increased customer-focus***

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Radio-Canada is Monetizing its Audience Well

FR TV advertising revenue per
share of A25-54 (broadcast yr 08/09)

Share (A25-54):	25%	12%	7%

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Note: Above chart includes conventional TV revenues only
Source: CBC internal data; CRTC fillings; BBM; PwC media outlook 2010

4.2 Maximizing Advertising Revenues

CBC and Radio-Canada Are Both Positioned for Further Online Monetization

Revised

2009 ad revenue per avg. monthly page view

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Total online ad revenue					
Page views	165M	117M	118M	38M	188M
Unique video viewers	1.3M	0.3M	1.3M	0.7M	0.6M

Source: comScore Dec 2009 report; Convergence consulting group online report; CBC internal data and 10/11 budget estimates
Note: CTV includes TNS.ca. Quebecor TV ad revenue estimated from TVA.canoe.ca and canoe.ca

4.3 Operating Costs Review

Further Flexibility Will Be Provided by Ongoing Cost Management

- CBC/Radio-Canada faces unavoidable cost increases, notably in salary, contract rights (e.g. HNIC), real estate maintenance and repairs, service contracts and utilities.
- To help address these cost pressures and to generate funds for the new strategic initiatives, the following actions are being pursued:

Corporate G&A

- **Cost efficiencies (and increased revenues)** from Corporate Support and Media Related activities
- **A tentative target of p.a.** has been established
  - Initiatives being pursued are described on the next slide
  - Detailed assessment has started and will continue in September and October

Media line costs

- A review of the potential for production method efficiencies will be carried out in the next few months. This is being pursued in conjunction with the Asset Pool Review, described in the next section
- **A tentative target of** has been established

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Cost Management – Review Areas

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Revised

Procurement/Strategic Sourcing:

—
—
—

Toronto Broadcast Center:

—
—

Shared/Centralized Services:

—

Short Term Disability Management Program:

—
—

Merchandising:

—

Content Archives:

—

Other Areas:

—

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Review of Media Production Methods - English Services

New

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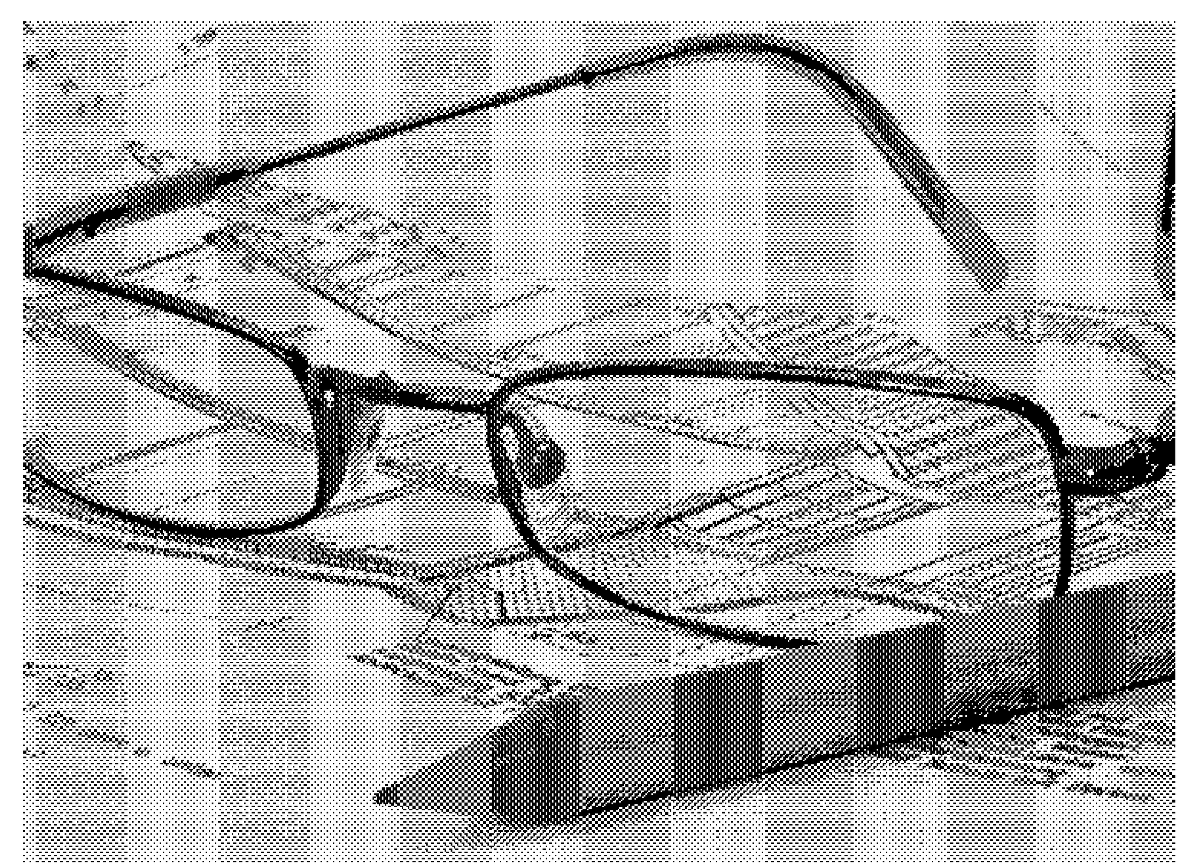
Review of Media Production Methods - French Services

New

4.4 Capital Asset Review



4.4 Capital Asset Review

Our Review of Capital Assets is Also Underway

Revised

- **The objectives of the review are to balance the long-term capital plan and right-size CBC/Radio-Canada's infrastructure while delivering the strategy in a cost-effective manner**
- **Our review identified four areas that could yield potential savings:**
  - Real estate
  - Transmission
  - Production
  - IT and Telecommunications assets
- **A capital asset task force continues its work to identify specific initiatives in each of these areas and is expected to deliver a preliminary report by fall 2010**
  - Further details are provided on the next page

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- **The target outcome is to identify solutions to eliminate the capital funding shortfall which is estimated**
  Substantial progress towards identifying solutions has been made

4.4 <u>Capital Asset Review</u>

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Asset Pools – Review Areas

Real Estate:

–

Transmission:

–

Production:

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–

–

Information Technology and Telecommunications:

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–

–

–

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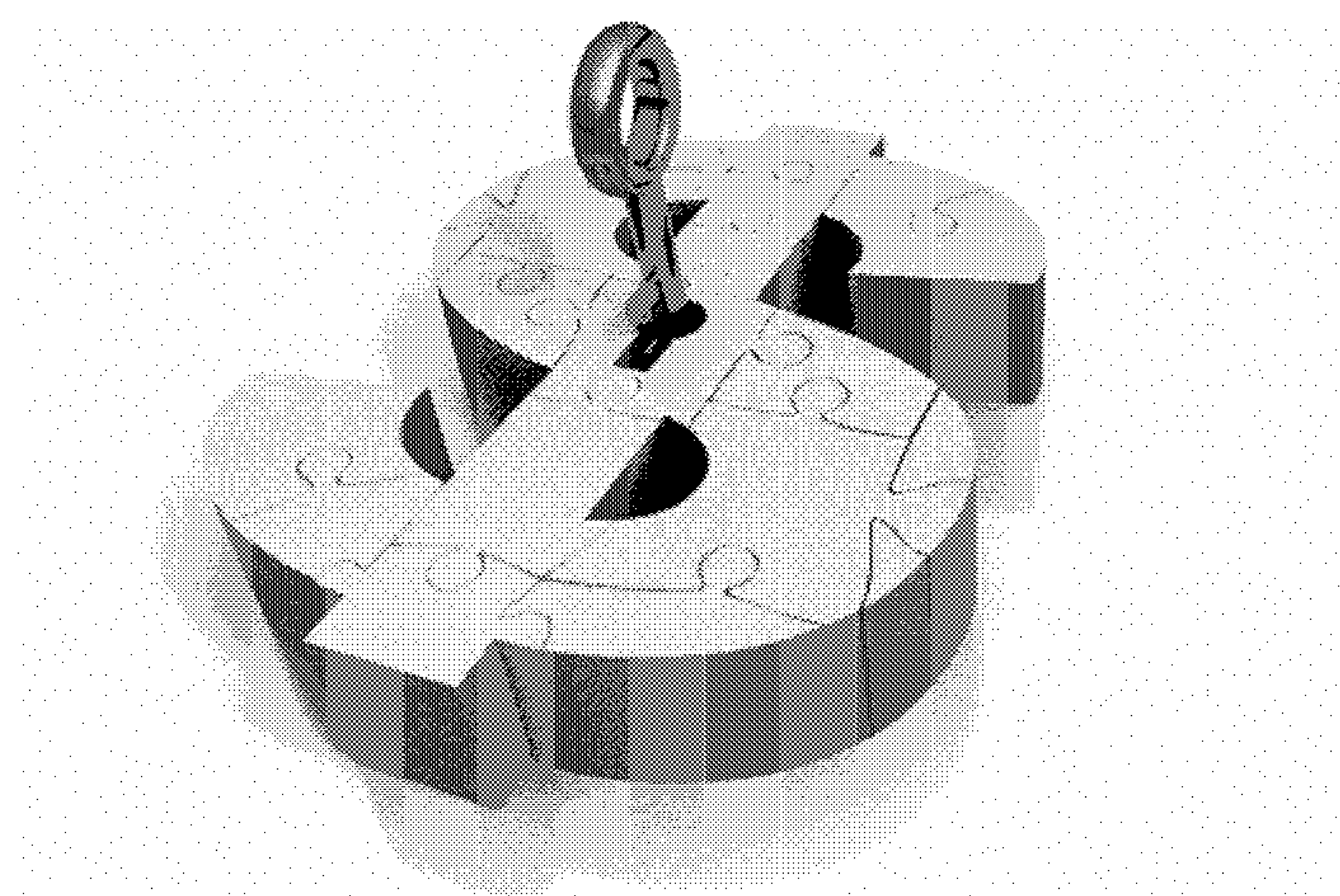
4.5 Financial Outlook –
After Strategic Initiatives



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Five-year Financial Outlook: After Strategy

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Five-year Financial Outlook: After Strategy

Achieving a Balanced Annual Budget and Addressing Downside Risks

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4.5 Financial Outlook – After Strategic Initiatives

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Initiatives to Support the Strategy and Close the Financial Gap

New Section

5. People

Our People are Key to our Strategy

- People are our biggest asset and key to our ability to deliver successfully on our strategy
- The implementation of the strategy will require that we adapt as an organization and change the way we produce and deliver our services
- Addressing the funding gap that has been identified to roll-out the strategy, will require that we drive greater efficiencies across the organization and review our methods of production
- As 90% of our workforce is unionized, the necessary changes that need to be implemented will require close cooperation with our Unions for this plan to succeed

Our Commitment to our People Remains Key

We will…

- Position CBC/Radio-Canada as a rewarding, progressive and diverse workplace that builds professional teams of innovative and highly skilled people dedicated to accomplishing the mission
- Develop and sustain a leadership climate that encourages collaboration, decisiveness and trust while recognizing risk-taking and accountability
- Provide a work environment that fosters creativity and a culture of excellence, and that strengthens the passion for what we do to serve Canadians

Context: Our Business Landscape

*An effective **Employer Value Proposition** helps attract and retain a diverse group of talent, which in turn allows us to face the challenges of an aging workforce and a growing competition for talent*

How can we position ourselves as an employer of choice to attract, retain and engage the right talent to achieve our business goals?

*An **attractive** and **distinctive** employment offering increases employee engagement*

How can we continue to grow, engage and recognize our people to maximize their potential and keep their passion alive?

*A work climate that embraces **collaboration**, **risk-taking** and **accountability** allows the effective achievement of business objectives*

How can we evolve our organizational structures and decision-making processes to foster this type of work climate?

*With our increasingly competitive business landscape, it is critical that management and unions continue to **partner effectively** in new ways to reach organizational goals*

How will we succeed in continuing to build positive and long-term relationships with our unions?

*Focusing on **diversity,** not just for compliance, improves **creativity** while reaching business goals and truly reflecting Canada*

How can we continue to move towards a strategic, proactive and inclusive approach to diversity to better reflect the communities we serve?

***New technologies** and **platforms** call for **innovation** and **nimbleness** in the way we serve Canadians*

How can we keep up with the fast-paced digital world through training to maximize our impact?

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The Challenges We Face

- We have an aging workforce

- We will not receive salary funding from Government over the next 3 years

- We will need to enhance our training efforts and budgets to prepare our workforce

5. <u>People</u>

Actions

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Initiative	Key actions	Expected Outcome/KPI

5. People

s.18(b)

Actions

Initiative	Key actions	Expected Outcome/KPI

s.18(b)

People Plan – French Services

Key Strategic Thrusts	Initiatives	Worforce planning	Training & Leadership Dev.	Diversity & Inclusion	Industrial Relations	Work Structure & Climate	Employee Engagement	Human Resources Actions	Investments

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People Plan – English Services

Key Strategic Thrusts	Initiatives	Worforce planning	Training & Leadership Dev.	Diversity & Inclusion	Industrial Relations	Work Structure & Climate	Employee Engagement	Human Resources Actions	Investments

5. **People**

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People Plan – Corporate Wide

Key Strategic Thrusts	Initiatives	Worforce planning	Training & Leadership Dev.	Diversity & Inclusion	Industrial Relations	Work Structure & Climate	Employee Engagement	Human Resources Actions	Investments

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People Plan – Corporate Wide

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Key Strategic Thrusts	Initiatives	Worforce planning	Training & Leadership Dev.	Diversity & Inclusion	Industrial Relations	Work Structure & Climate	Employee Engagement	Human Resources Actions	Savings

5. **People**

People Plan – Corporate Wide

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Key Strategic Thrusts	Initiatives	Worforce planning	Training & Leadership Dev.	Diversity & Inclusion	Industrial Relations	Work Structure & Climate	Employee Engagement	Human Resources Actions	Savings

6. Risks and Prioritization

There Are Several Key Risks Associated with the Strategy for us to Consider

Government & Regulatory

- LPIF sunsets in 2012 and not replaced by other source of local production incentive
- Parliamentary Appropriation Reduction
- DTV Conversion - interpretation of CRTC requirements
- CRTC license renewals in 2011 affect conditions of license and impact elements of strategy and/or service levels
- Pending pension legislative and regulatory changes and requirement for actuarial valuation within the next two years; investment market uncertainty

Market

Economic

- Double dip recession
- Inflation/Deflation
- Increased competition (specialty, digital) affects revenue

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English Services

French Services

Internal

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- Change management
- Ability to achieve balanced plan through internal redirections without affecting strategy or increasing costs
- Coordination of cost efficiency measures across the Corporation

While the above risks will be actively managed, these points highlight the need to prioritize strategic investments

As Available Resources Expand or Contract, so to Will the Scope of Strategic Actions

Downside

- Contingency plans have been prepared to address the impact on strategic initiatives in event of constrained resources
-
- **Contingency plans presented in next two slides**

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Upside

- In the event of additional resources, strategic initiatives would be implemented earlier than planned and there would be more flexibility in spending redirections;
-

Downside: English Services

-
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6. **Risks and Prioritization**

Downside: French Services

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7. Communications and Roll-out Plan

General Objectives

1. To paint a compelling picture of CBC/Radio-Canada's future
2. To give audiences a general sense of "what's in it for me", without being too specific
3. To ensure audiences understand the context that led to the development of the strategy
4. To inform audiences of the new mission framework/promise and guiding principles
5. To inform audiences of the main thrusts of the strategy (programming, the regions and new platforms) and the money needed to pay for it
6. To inform audiences of the expected outcomes of success and how they will be measured

Audience-specific Objectives

Our People

- To promote internally both an understanding and a sense of ownership as it relates to the mission/promise, guiding principles and main strategic thrusts
- To ensure internally that the main thrusts of the strategy are integrated into key business processes
- To drive action in support of the strategy

Key Stakeholders

- To influence the influencers to multiply the message
- To persuade and encourage support from external audiences who exercise an influence on our ability to succeed (e.g. Government, CRTC, Unions, Partners, etc.)

Specific Communications Need to be Developed for

- Our employees
- Our unions
- The Government, including the opposition parties and relevant central agencies
- The regulator and the CMF
- Partners and strategic business allies
- The media
- Stakeholders
- Our audiences
- Canadians

Communications Plan: Key Strategic Considerations

- Containment is key now
- First things first: communicate overall strategy, then actions and announcements
- Context is almost as important as the content
- The same core messaging, different spokespeople, vehicles, levels of detail and emphasis

Communications Plan: The Roll-out in Three Phases

Phase One

- November – January
  - Focused communications to management and unions to ensure integration into business plans

Phase Two

- Mid-January
  - Pre-briefing of Government, CRTC, Unions

Phase Three

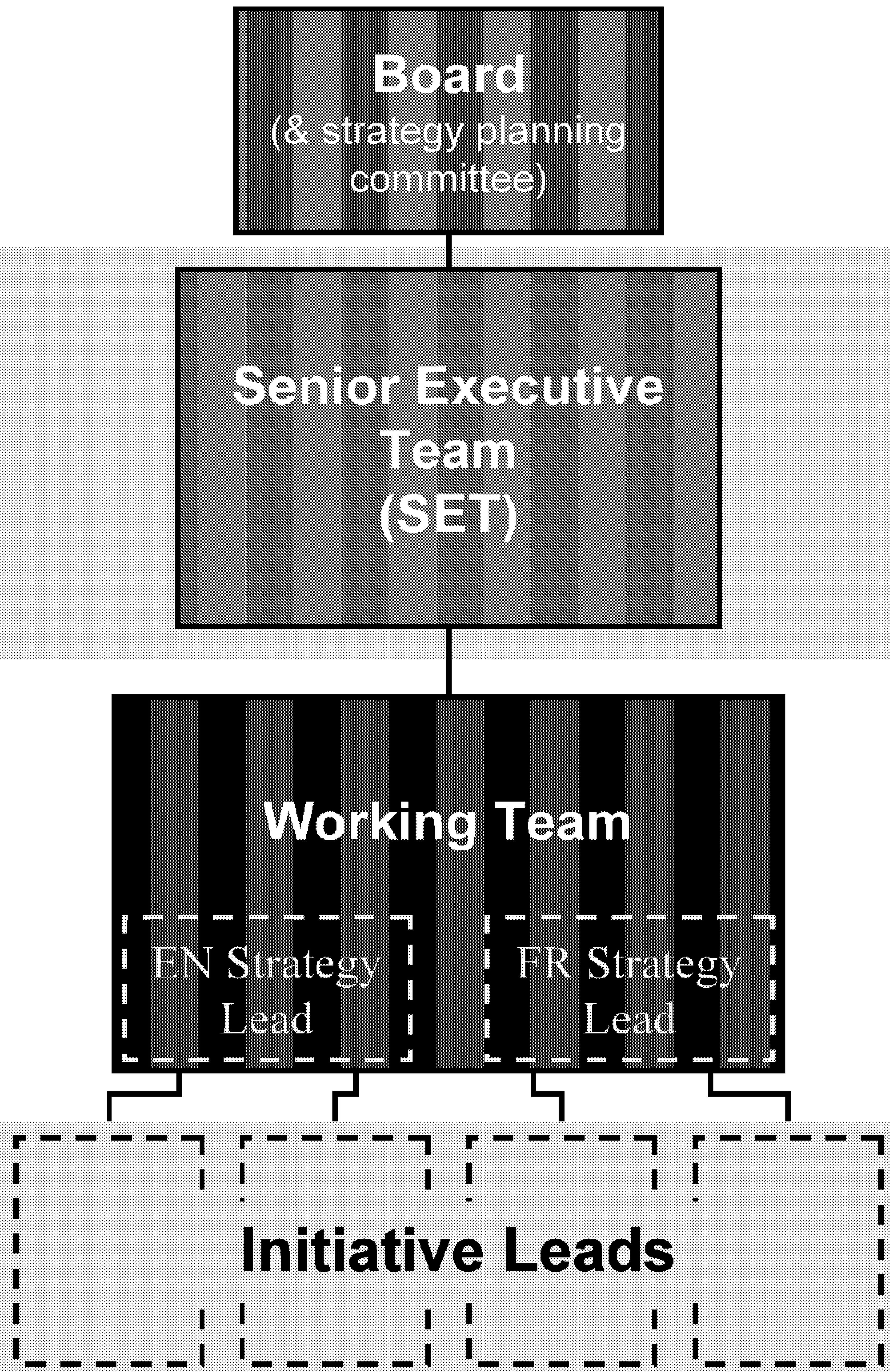
- January – April
  - Launch focused on overall strategic positioning giving way gradually to more specific planks of the strategy. Extend and sustain widespread communications strategy
- April – Forward
  - More and more granular announcement of pieces of the plan

Will Be the Centerpiece of All Communications Activity Between January and Fall 2011

8. Implementation Plan

8. Implementation Plan

Project Structure Will be Established to Support Implementation and Reviewed after 12 months



- **Ultimate authority** over strategy process
- **Bi-annual review** of progress

- Will **adopt the role of Steering Committee**, providing overall leadership and direction
- Senior executive **support, credibility and decision-making authority**
- **Aligned with SET meeting schedule**, with distinct agenda item added to address strategy implementation progress

- Significant time allocation required for strategy leads from each of Corporate, English Services and French Services
- Additional members drawn in as necessary
- Responsible for sharing best practices across media lines
- Prepares **reporting for SET**

- Empowered initiative teams and additional members to provide input and analysis as required
- **Meets on ongoing basis**; communicates regularly with English Services and French Services strategy leads

Activities to March 2011 Will Provide Further Definition and Impact Budgets for Next Year

- Mobilization structure and all initiative teams to be kicked-off and process for monitoring progress established

- Strategic initiatives to be further defined by Media Lines and discussed with Steering Committee

  - Including detailed sub-initiatives, key metrics and ongoing targets for 5-year period

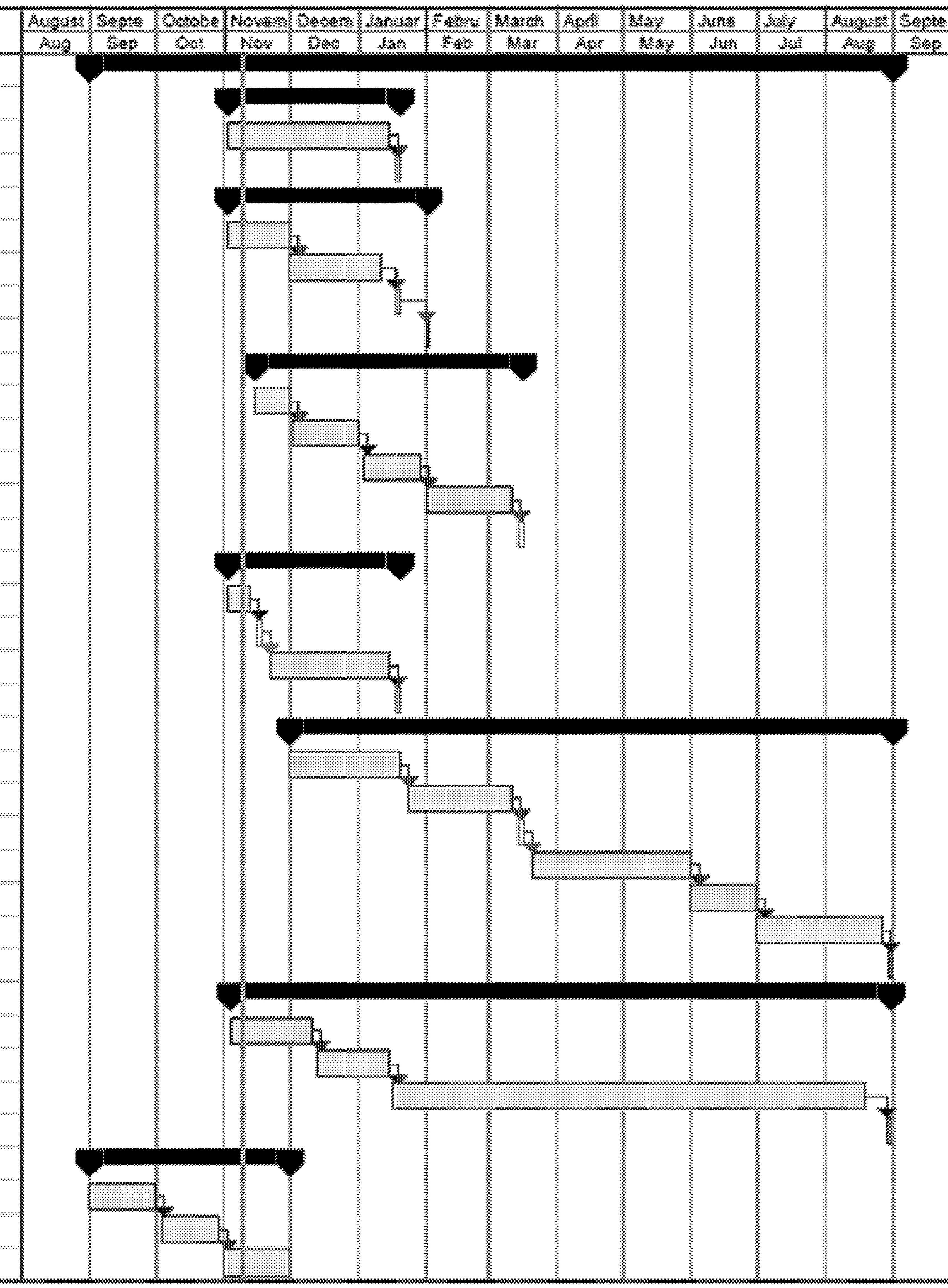
- Specific resource commitments to be reflected in fiscal budgets, presented and approved by Board of Directors

8. Implementation Plan

The Implementation of the Strategy Will Impact All Our Key Outputs

New

ID	Task Name
1	**Driving Towards 2015 Co-ordinating our Mechanisms**
2	**Board's First Look at Media's Initiatives Based on New Strategy**
3	Media prepare their new initiatives
4	New initiatives presented to the Board
5	**Board Approval of Corporate Plan**
6	Develop A new approach for the Plan
7	Plan approved by the Committee
8	Plan approved by the Board
9	Filed with Minister
10	**Board Approval of Budgets**
11	Issuance of business plan guidelines
12	Components prepare their business plans
13	Business plans are prepared and submitted, budget requirements are consolidated
14	Funding recommendations are made and approved by Senior Management
15	Budgets are presented to the BOD for approval.
16	**First Review of Strategic Plan Report Card By Board**
17	Working with media and finance to agree on a draft report cards
18	First draft to be presented to the Board - For discussion
19	Working with media and finance to finalise Report Cards
20	Report Cards presented to the Board
21	**Annual Report Submitted to Canadian Heritage**
22	Submit proposal for AR theme, approach and objectives to Board for approval
23	SET members are asked for contacts that will provide information and approvals. The President's & Chair's messages are written
24	Covers and design are presented to the Board
25	Front section is written and submitted to the Board for information
26	Approbation: Board and OAG the complet AR, Audit Committee the Financial section
27	Typesetting, proofreading, photos, and printing
28	File with Minister
29	**Quaterly Financial Reports (MD&A and Significant Changes)**
30	MD&A Training
31	MD&A Current Process, Gap Analyswis, Benchmarking, and Design
32	Prepare Quaterly MD&A (Strategic Update, KPI's, Legal,Variances, Risks, Appropriations)
33	Published Quaterly Report
34	**Annual Report provided to CRTC**
35	Information gathering by media
36	Draft reports and reconcile data as required
37	Finalize reports; develop cover letter; submit to CRTC



Project: Project Driving towards 2015
Date: Tue 11/9/10

Task · Split · Progress · Milestone · Summary · Project Summary · External Tasks · External Milestone · Deadline

A0047332_99-000494

To Conclude ...

- **Beyond Board approval, if granted, our strategy will continue to evolve in response to the dynamics of the Canadian broadcasting system**
    - For example, with Shaw's purchase of CanWest and Bell's recent acquisition of CTV, the CRTC has announced that it will hold a hearing on vertical integration in the Industry
- **Will these recent moves by some of Canada's largest 'media' company's impact the implementation of our strategy?**
- **We will be back to you in June with our first report on how we have begun to roll-out our strategy**

Appendices

How We Will Measure our Success

Measuring Our Success is a Key Element of Our Strategy

Metrics will cover services and genres

- Measurement at **service level**
  - **Conventional TV**
  - **Specialty TV** (CBC NN, RDI, bold, doc, ARTV)
  - **Radio** (Radio 1, 2, 3, Premiere Chaîne, Espace musique, bande à part)
  - **Digital** (cbc.ca, radio-canada.ca, tou.tv)
- Content **genres**
  - **Slightly different for English Services & French Services**, and to be **tested with audience** before finalizing
    - EN: arts/entertainment, news & info (national, international, local), sports, kids, current affairs, documentaries
    - FR: magazines d'information/reportage, nouvelles (national, international, local), sport, jeunesse, variétés, dramatique
- Overall, do TV and Radio Services Inform, Enlighten and Entertain?
- Not to be applied at individual program level

Biannual process coordinated across media lines

- Overall mission evaluation to be conducted **twice per year**
  - Audience perception surveys should be in field in **late March and early November – will build on existing surveys conducted by English and French Services**
  - Results in place prior to annual report and CRTC reporting
  - All the data used for the evaluation will be validated or provided by recognized third parties; as a result, we do not see a need for the results to be audited
- Further development of this initiative to be a **cooperative process** across Media lines, **coordinated by Corporate Planning**
  - To ensure consistent measurement, application and reporting

Mission Delivery Versus Net Cost of English Services

s.68.
1

Mission Delivery Versus Net Cost of French Services

s.68.
1

Measuring the Mission Delivery of Our TV Genres

s.18(b)

- **The mission delivery of key TV genres will be presented in charts which easily show changes in performance on specific criteria over time**

- **Each genre will be measured according to four metrics:**

Genre Performance Measures – Illustrative Only

s.18(b)

Schedule A

Audit Committee
(November 10, 2010)

Subject matter

Nominees to the CBC Pension Board of Trustees for calendar year 2011.

Background

Role of the Board of Trustees

The CBC Pension Board of Trustees by virtue of the Trust Deed between the CBC and the Trustees administers the assets of the Plan.

The primary liability of the Plan is to provide defined benefits for its members in accordance with the Trust Deed and other documents from time to time describing the Plan.

The CBC Pension Board of Trustees, directly and/or through agents retained by it, is responsible for investing the Fund and in doing so, will identify and pursue investment opportunities in accordance with the Act, the regulations and the Fund's Statement of Investment Policy and Goals.

Appointment of Trustees

Article 3 of the Trust Deed (Schedule C of the By-Laws) addresses the composition of the Board of Trustees.

The Board must consist of a minimum of 6 Trustees and a maximum of 7.

- The majority of Trustees (4) must either hold office as Directors of the Corporation or be officers of the Corporation.
- The senior executive officer responsible for Human Resources, and the senior executive officer responsible for Finance are Trustees by virtue of their position or such other Corporate Executive of the Corporation as designated by the President and CEO of the Corporation and approved by the Board of Directors of the Corporation.
- The Corporation appoints all other Trustees.

Historically, the Corporation has accepted that the 3 Trustees who are not Directors or officers of the Corporation be two employees (one representing each of the French and English services) and a pensioner. These three individuals are chosen as follows:

- The two employees are nominated by the Consultative Committee on Staff Benefits (CCSB) which is a joint management/union committee that discusses CBC employee benefits.
- The pensioner is nominated by the CBC Pensioners National Association.

These nominations are then submitted annually to the Audit Committee and the Board of Directors of the CBC for approval each year.

Schedule A

Information on the matter

In accordance with established practice, the CCSB has recommended the nomination of two candidates to serve on the Board of Trustees for the year 2011 as follows:

- Claude Godin representing the French Services, and
- Robert Fisher representing the English Services.

The Pensioners' Association has also recommended their candidate, Paul Gaffney, to serve on the Board of Trustees for the year 2011.

Mr. Godin, Mr. Fisher and Mr. Gaffney currently serve as Trustees on the Pension Board of Trustees.

For decision: √ **For information:** ☐

Prepared by

Name: Katya Laviolette, Vice-President, People and Culture
Date: October 6, 2010

Management recommendation

BE IT RESOLVED THAT Claude Godin, Robert Fisher and Paul Gaffney be and are held hereby appointed to the Pension Board of Trustees for the period of January 1, 2011 to and including December 31, 2011 or until the nomination of a successor, whichever occurs first.

Last discussed at the Audit Committee

Date: November 12, 2009
Decision made: Approved

Next steps

Letter of acceptance to be sent to each appointee by the President & CEO.

s.16(2)
s.21(1)(b)

Schedule A

Audit Committee
November 10, 2010

Subject matter

CBC Pension Plan – Section 8(7) Banking and Custody

Background

This proposed amendment has been reviewed by Legal Counsel.

Information on the matter

For decision:	X	**For information:**	

Prepared by

Name: Suzanne Morris, Vice-President and CFO

Date: October 20, 2010

Management recommendation

Last discussed at the Board

Date:	May 1997
Decision made:	Amendment to Section 8(7) approved

Next steps

Obtain ministerial approval of amendment

s.16(2)

s.21(1)(b)

Audit Committee

November 10, 2010

Subject matter

International Financial Reporting Standards (IFRS)

Background

CBC/Radio Canada is currently migrating to the International Financial Reporting Standards (IFRS).

Information on the matter

The presentation will address four matters concerning the IFRS Conversion Project: (i) status update (ii) two IFRS accounting policy decisions including one methodology recommendation.

For decision [X] **For information** [ ]

Prepared by

Name: Christopher Flann/Vince Siemens
Date: November 10, 2010

Management recommendation

Recommendation for approval of the proposed policy decisions.

Last discussed at the Board

Date: September 15, 2010
Decision: Status only – no decisions were presented.

Next steps

One remaining disclosure decision to be made prior to April 1, 2011.

Audit Committee
November 10, 2010

Resolution re IFRS Accounting Policy Decisions

IT IS RESOLVED THAT the Audit Committee, after careful consideration of the options outlined by the IFRS Conversion Project team, recommends that the Board of Directors approve the following two decisions with respect to IFRS accounting policy for the Corporation, the details of which are set out in the materials presented to the Audit Committee:

Accounting Policy:

1. Employee Benefits

    a) The pension obligation or asset will be recalculated as at April 1, 2010 using the "fresh start approach". The methodology proposed by Mercer based on the expected guidance from the Canadian Institute of Actuaries ("Alternative 3") for the establishment of the discount rate will be used for this calculation.
    b) Actuarial gains and losses should be recognized directly in Equity through the use of the "Other Comprehensive Income approach".

Audit Committee, Decision #4
IAS 19 Defined Benefit Plan Choice

1. Background

IAS 19 *Employee Benefits* provides a choice of how to account for actuarial gains and losses of defined benefit plans as follows:

1. The Corridor Approach whereby gains and losses within a certain threshold (10%) are taken to the income statement over a period of time (remaining working life of employees) [a]
   OR
2. A method that recognizes the gains and losses in Net Income faster than the Corridor Approach
   OR
3. Directly in Equity (the "OCI approach").

a. Any movements beyond the threshold are taken to Net Income immediately.

In deciding which policy to take, it is important to be aware that the Corridor Approach (method 1) may be removed as a result of future changes to the Standard.

Upon first-time adoption, IFRS 1 provides an exemption for entities electing to use the 'corridor' approach. Retrospective application of this approach would require an entity to split the cumulative actuarial gains and losses from the inception of the plan until the date of transition to IFRSs into a recognized portion and an unrecognized portion. This is a complex and costly process and therefore CBC/Radio-Canada would be able to elect to recognize all cumulative actuarial gains and losses at the date of transition to IFRSs (effectively '*resetting*' the complicated corridor to zero on transition).

2. Benchmarking

Europe:

- There is a split between those that apply the Corridor Approach and those that take gains and losses directly to equity; almost none take gains and losses directly to Net Income. But at the time IFRS was implemented in Europe, there was no knowledge that the corridor method would be removed.

Australia:

- There are not many companies left in Australia with defined benefit plans – of those that have them, there is a split between those that apply the Corridor Approach and those that take gains and losses directly to equity. As with Europe, there was no knowledge that the corridor method would be removed.

Canada:

- The majority of entities and Crown Corporations where this choice is applicable are adopting the OCI approach.

3. Cost v Benefit analysis

	Corridor	Directly in Equity	Directly in Net income
Complexity of accounting on transition	Same [1]	Same	Same
Complexity of accounting ongoing	Higher	Lower	Lower
Cost of obtaining actuarial data	Same	Same	Same
Balance sheet volatility	Lower	Higher	Higher
Income statement volatility	Lower	None	Higher
Risk of mandated policy change [2]	High	Low	Low

1. Assuming that the IFRS election to reset the corridor is taken
2. Assuming that the corridor option is removed

4. Preliminary Policy Decision:

Actuarial gains and losses should be recognized directly in Equity (i.e. utilization of the Other Comprehensive Income approach)

5. Potential Dollar Impact of Preliminary Policy

On Transition:
Upon transition, the accrued employee benefit liability will decrease from $403.8M to $322.9M thereby resulting in an increase in retained earnings by $81.6M.

Finance and Administration CBC Radio-Canada Finances et Administration

Audit Committee, Decision #12
IFRS 1 Employee Benefits

1. Background

As with the transition to all the new Standards under IFRS, IAS 19 *Employee Benefits* must be applied retrospectively; however we don't necessarily know what the employee benefit net asset or liability would be if we had always applied IFRS throughout the entire duration of the various benefit plans. Many of our plans have been in existence for a considerable length of time and, consequently, the determination of the asset or liability had we always applied IFRS would not only be very difficult and costly (time/effort) but may be impractical.

IFRS 1 allows entities to elect a "fresh start" approach as an alternative to proving a historical IFRS balance.

2. Benchmarking

Europe:

- There is a split between those that apply the Corridor Approach and those that take gains and losses directly to equity; almost none take gains and losses directly to Net Income. Those companies that elected to take gains and losses directly to equity overwhelmingly elected the "fresh start" approach.

Australia:

- There are not many companies left in Australia with defined benefit plans – of those that have them, there is a split between those that apply the Corridor Approach and those that take gains and losses directly to equity. Those companies that elected to take gains and losses directly to equity overwhelmingly elected the "fresh start" approach.

Canada:

- Those companies that elected to take gains and losses directly to equity overwhelmingly elected the "fresh start" approach. There is only one known case in Canada where an entity has elected to apply IAS 19 retrospectively.

Audit Committee, Decision #12
IFRS 1 Employee Benefits

3. Cost v Benefit analysis

	Full Retro-spective approach	"Fresh Start" approach
Complexity of accounting on transition	Higher	Lower
Complexity of accounting ongoing	Same	Same
Cost of obtaining actuarial data on transition	Higher	Lower
Cost of obtaining actuarial data ongoing	Same	Same

4. Preliminary Policy Decision:

Given full retrospective application would be impractical, we recommend the use of the 'fresh start' approach to recalculate the pension balances for all plans on transition.

Board of Directors
November 16-17, 2010

Subject matter

Update on Merger Discussions between Sirius Canada Inc. and Canadian Satellite Radio Holdings Inc.

Background

CBC/Radio-Canada holds a 40% Voting Interest and a 25.05% Equity Interest in Sirius Canada.

Information on the matter

This presentation is mainly to provide an update on the current status of merger negotiations between Sirius Canada and Canadian Satellite Radio Holdings Inc. (XM Canada).

The CBC/Radio-Canada Board was informed at its meeting of September 2008 that the merger of Sirius and XM in the United States in 2008 would likely:

- Impact Sirius Canada and XM Canada's operations; and
- Result in pressure to merge the Canadian companies.

A merger agreement is expected to be reached in the near future.

- Approval from the CBC/Radio-Canada Board is required for the merger to proceed.
- An Order-In-Council will be required since under the merger CBC/Radio-Canada will acquire shares in Canadian Satellite Radio Holdings Inc (XM Canada).

For decision ☐ **For information** ■

Prepared by

Name: Michel Tremblay/Bill Atkinson
Date: November 4, 2010

Management recommendation

Last discussed at the Board

September 23-24, 2008

Next steps

November 2010
Complete negotiation of final terms with XM Canada.
Complete the definitive agreements.
Conduct due diligence.
November to December 2010
Seek approval from the CBC/Radio-Canada Board to proceed with merger transaction .
December 2010 to June 2011
Seek an OIC to hold shares in Canadian Satellite Radio Holdings Inc.
Seek approval for merger from the CRTC and the Competition Bureau, as required.

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UPDATE ON MERGER DISCUSSIONS

Michel Tremblay and Bill Atkinson

CBC/Radio-Canada Board of Directors
November 16-17, 2010

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Index

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1 Foreword

In North America

- Satellite Radio is unique to North America.
- There are now 21.5M satellite radio subscribers throughout North America.
- All automotive companies have contracts with Satellite Radio providers. Satellite radio is integrated within most of the automotive vehicle radio systems.

In the United States

- In 2001/02, Sirius Satellite Radio and XM Satellite Radio launched their services in the United States.
- In July 2008, Sirius Satellite Radio and XM Satellite Radio merged in the United States and **renamed the business Sirius XM Radio Inc.** (Sirius XM (US)).
  - Both the XM and Sirius satellite and receiving technologies continue to operate.
  - At the time of the merger, Sirius XM (US) committed to their subscribers (in the United States) that both satellite systems would be maintained for 10 years.

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1 Foreword

In Canada

- In December 2005, Sirius Canada Inc. (Sirius Canada) and Canadian Satellite Radio Holdings Inc. (XM Canada) launched their Canadian Satellite Services.
  - CBC/Radio-Canada is a founding partner of Sirius Canada.
  - CBC/Radio-Canada invested $12M (40% Voting Interest and 25.05% Equity Interest).

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2 Purpose

- **To provide an update on the current status of merger negotiations between Sirius Canada and XM Canada.**

- **The CBC/Radio-Canada Board was informed at its meeting of September 2008 that the merger of Sirius and XM in the United States in 2008 would likely:**
  - Impact Sirius Canada and XM Canada's operations; and
  - Result in pressure to merge the Canadian companies.

- **A merger agreement is expected to be reached in the near future.**
  - Approval from the CBC/Radio-Canada Board is required for the merger to proceed.
  - An Order-In-Council (OIC) will be required since under the merger CBC/Radio-Canada will acquire shares in Canadian Satellite Radio Holdings Inc. (XM Canada).

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Sirius Canada
3 Ownership Interest

SIRIUS SATELLITE RADIO

- Sirius Canada was launched on December 1st, 2005 and is a **privately** held corporation with the following ownership structure.

	# of Class A shares	Voting Interest	Equity Interest
· CBC/Radio-Canada		40%	25.05%
· Slaight Communications		40%	25.05%
· Sirius XM Radio Inc.		20%	* 49.90%

s.18(a)
s.18(b)

s.20(1)(b)

s.20(1)(b)

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Sirius Canada
Board of Directors

3

s.19(1)

- **CBC/Radio-Canada**
  - Michel Tremblay – Senior Vice-President, Corporate Strategy and Business Partnerships
  - Bill Atkinson – Executive Director, Business Development

- **Slaight Communications**
  -
  -

- **Sirius XM Satellite Radio (US)**
  -
  -

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3

Sirius Canada
Subscribers/Revenues

s.18(a)
s.18(b)
s.20(1)(b)

- **There are 1,653,000 satellite radio subscribers in Canada.**
  - **Sirius Canada 1,090,000**
  - XM Canada 563,000
-
-

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Sirius Canada
3 Programming

- Sirius Canada offers 120 full-time channels including:

6 CBC/Radio-Canada Produced Channels:

- Radio One
- Radio 3
- RCI Plus
- Première Plus
- Bande à part
- Sport Extra

6 Other Canadian Channels:

s.18(a)
s.18(b)
s.20(1)(b)

- Weather (Pelmorex)
- Hard Core Sports (The Score)
- L'Oasis Francophone (Astral)
- Latitude Franco (Astral)
- Iceberg (Astral)
- Sports Express (Rogers)

- 108 Channels are delivered by Sirius XM (US) from the United States (refer to Appendix E for Channel Listing).
- CBC/Radio-Canada receives [redacted] to provide its programming.

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XM Canada
Ownership Interest

4

- John Bitove is the Executive Chairman of the Board of XM Canada, a **publicly** traded corporation.
- Below is a table showing the current economic ownership and voting interests of XM Canada:

	Converted Shares	Equity Interest	Voting Interest	
		%	Votes	%
John Bitove[1]	27,742,030	54.1	82,027,452	**77.7**
XM Radio Holdings Inc. [2]	11,077,500	**21.6**	11,077,500	**10.5**
Motors Liquidation Co.	3,323,250	6.5	3,323,250	3.1
MFC Global Investment Management	3,223,239	6.3	3,223,239	3.1
Others	5,957,071	11.5	5,957,071	5.6
TOTAL	**51,323,090**	**100**	**105,608,512**	**100**

(1) Through John Bitove's holding company, CSRI Inc.

(2) A subsidiary of Sirius XM Radio Inc.

s.20(1)(b)

s.18(b)

s.18(a)

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5

Why a Merger?

s.20(1)(b) s.18(a) s.18(b)

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5 Why a Merger?

1. **Merger creates a leading Canadian media company**
   - Pro forma revenue greater than $200M.
   - A combined subscriber base of 1,653,000.

2. **Significant synergies will be generated**

3. **CBC/Radio-Canada will potentially achieve value of approximately after two years of synergies**

s.18(b)

s.20(1)(b)

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5 Why a Merger?

4. **Strengthened free cash flow**
   -

5. **Better integration/alignment with merged parent company in the US**

6. **Combined company is better positioned to compete in evolving audio entertainment marketplace**

7. **Well positioned to benefit from rebound in automotive sales and improving advertising environment**

s.20(1)(b)

s.18(a)
s.18(b)

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5

Why a Merger?

s.20(1)(b)

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6 Summary of the Transaction

- **Pro Forma Ownership:**
  - This transaction is a reverse takeover of CSR Holdings Inc. by Sirius Canada.
  - CSR Holdings Inc. shares will be issued to Sirius Canada Shareholders.
  - CBC/Radio-Canada will hold a 15% equity share in the merged entity (refer to Appendix B).

s.18(a)
s.18(b)

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6 Summary of the Transaction

- **Special Dividend:**
  - Sirius Canada anticipates being able to pay a special dividend of at least **$10M** to CBC/Radio-Canada at closing.

s.18(b)

- **Governance:**
  - Board Nomination Rights: A new Board of Directors consisting of 9 directors (nominated as follows: Sirius XM (US) (2), XM Canada (2) Slaight (1), CBC/Radio-Canada (1) and Independent (3).
  - Board Governance Rights: required 2/3 approval for certain matters.
  - Board of Directors likely to appoint John Bitove as Non-Executive Chairman of Board.

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6 Summary of the Transaction

- **Conditions of Closing:**
  - Subject to due diligence and customary closing conditions, representations and covenants.
  - Shareholder approval of Sirius Canada and Board of Directors approval of CSR Holdings Inc.
  - Receipt of necessary approvals and consents required of third parties and any regulatory or governmental authorities (Competition Bureau, CRTC, TSX Approval).
  - Subject to refinancing of current indebtedness of XM Canada.

- **Anticipated Closing:**
  - Expected transaction closing in spring/summer of 2011.

s.18(b)

s.20(1)(b)

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7 Status of Negotiations

- After more than 18 months of difficult merger discussions, both parties are now committed to moving forward in an expedited manner.

- The parties have decided to go straight to the drafting of the Securities Purchase Agreement rather than a Term Sheet.

A0047336_19-000530

s.20(1)(b)

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7 Status of Negotiations

- **Negotiations remain on-going with respect to a number of issues:**
  - **Governance**
    - Chair, Size and selection of the Board members, CEO (To be agreed upon prior to signing the merger deal).
  - **Canadian Programming**
    - Potential extension of CBC/Radio-Canada program supply agreement.
  - **Resolution of XM Canada's long-term debt**
    - Deal with Change-in-Control provisions or issue new debt.

s.19(1)

- **CBC/Radio-Canada advisors and counsel**
  - from TD Securities are our Financial Advisors.
    - TD Securities was selected as a result of a competitive selection process in 2008 with Sirius Canada Inc.
  - Robert Vineberg from Davies Ward Phillips & Vineberg LLP is outside counsel.
    - Robert Vineberg has been CBC/Radio-Canada's external counsel related to Sirius Canada Inc. since its inception in 2003.
  - Jacques Gaboury is internal counsel.

A0047336_20-000531

s.20(1)(b)

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8 Conclusion:
A good deal for CBC/Radio-Canada

- Under a merger, CBC/Radio-Canada will potentially receive approx. in value.
  - in cash (surplus cash from Sirius Canada).
  - in equity value of the merged company after two years of synergies.
    - in equity value (projected value at closing based on $375 per subscriber refer to Appendix D).
    - in synergies.

s.18(a)
s.18(b)

- This far exceeds the value of a remaining standalone company under which CBC/Radio-Canada's value is **estimated between**

- Potential for a greater future dividends distributions.

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9 Next Steps

November 2010

- Complete negotiation of final terms with XM Canada.
- Complete the definitive agreements.
- Conduct due diligence.

November to December 2010

- Seek approval from the CBC/Radio-Canada Board to proceed with merger transaction.

December 2010 to June 2011

- Seek an OIC to hold shares in Canadian Satellite Radio Holdings Inc.
- Seek approval for merger from the CRTC and the Competition Bureau, as required.

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s.20(1)(b)

Appendix A
Financial Value of Merger

- **TD Securities has provided a summary of the financial value impact of a merger to CBC Radio-Canada under the proposed September 10, 2010 ownership structure vs. Sirius Canada Standalone case:**
  -
  -
  -
  -
  -

s.18(a)
s.18(b)

in C$ millions

CSR's Ownership of MergeCo %
SIRIC Ownership of MergeCo %

Implied Ownership

CSR Investments
SIRIUS XM
Canadian Broadcasting Corp.
Slaight Communications Ltd.
Other CSR Holders
Total

Value to Shareholders

(1) Implied Equity Value
(2) Dividend Payout
(3) Synergies Value
Total Value to Shareholders
(4) Continued Programming

(1)

(2) Extension of CBC program supply agreement currently under negotiation.

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Appendix B
Equity and Voting Interest

After merger

s.18(b)
s.20(1)(b)

	Converted Shares	Equity Interest	Voting Interest
Sirius Canada Inc.			
CBC/Radio-Canada			
Slaight Communications			
Sirius XM			
TOTAL			
CSR Holdings Inc.			
John Bitove (Holding Co.)			
Sirius XM			
Motors Liquidation			
MFC Global Inv			
Others			
TOTAL			
Total Outstanding			
Combined Sirius XM			

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Appendix C

Equity Value Calculation

Based on results as of May 31st , 2010

Enterprise Value (EV)	
EV per subscriber (Appendix D)	
(x) Combined Total Subscribers	
Merged Company EV	
Sirius Canada – EV (50%)	
(+) Net Free Cash	
(-) Accumulated Dividends	
(-) Cash Available for Equalization Dividend	
(+) Cash to be distributed	
Equity Value	
(+) Net Present Value Synergies (50%)	
Equity Value with Synergies	
XM Canada - EV (50%)	
(-) Long-Term Debt **minus Net Free Cash**	
Equity Value	
(+) Net Present Value Synergies (50%)	
Equity Value with Synergies	
CBC Equity Value (15%) in Merged Company	

s.18(a)
s.18(b)
s.20(1)(b)

A0047336_25-000536

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Appendix D

Calculation of EV $ 375 per Subscriber

Number of XM Canada Shares	
(x) XM Canada Share Price	
(based on 60 day volume w eighted average price at Aug. 17, 2010)	
(=) Total Market Capitalization Value	
(+) XM Canada Long Term Debt	
(+) Equity Component of the Convertible Debt	
(-) Net of Cash Equivalent	
(=) Total Enterprise Value	
(÷) Number of XM Canada Subscribers	
(=) Enterprise Value per Subscriber	

s.18(a)
s.18(b)

s.20(1)(b)

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Appendix E

Sirius Canada Channel Listing

DISCOVER AGAIN.

100% COMMERCIAL-FREE MUSIC

POP	
01	Top 40 Hits
02	Lite Pop Hits
03	Love Songs
04	'40s Pop Hits/Big Band
05	'50s Pop Hits
06	'60s Pop Hits
07	'70s Pop Hits
08	'80s Pop Hits
09	'90s Pop Hits
11	UK Pop Hits
12	Modern Adult Hits
13	Elvis Presley 24/7
76	Beautiful Music
ROCK	
10	Bruce Springsteen 24/7
14	'60s & '70s Classic Rock
15	'70S & '80s Classic Rock
16	Deep Classic Rock
17	Jam Bands
18	Adult Album Rock
19	Classic Hard Rock
20	New Hard Rock
21	New Alternative
22	'70s & '80s Alternative
23	'80s Hair Bands
24	'90s Alternative/Grunge
25	Little Steven's Underground Garage
26	Indie/College/Unsigned
27	Heavy Metal
28	Action Sports/Punk/Ska
29	Singer Songwriters
30	Acoustic Rock
31	Escape to Margaritaville
32	Grateful Dead 24/7
33	Classic Hits
85	Canadian Rock Music
86	Emerging Canadian Artists
87	Emerging Francophone Artists
88	Canadian Soft Rock
89	Pop, Rock & Urban
ELECTRONIC & DANCE	
35	Smooth Electronic
36	Dance Hits
38	Trance/Progressive
81	Disco/Classic Dance
HIP-HOP/R&B	
39	Old Skool Rap
40	Hip-Hop Hits
45	Eminem's Uncut Hip-Hop
50	Rhythm/R&B Hits
51	Adult R&B
53	Classic Soul/Motown
COUNTRY	
60	New Country Hits
61	'80s & '90s Country
62	'60s & '70s Country
63	Rockin' Country/Americana
64	Willie Nelson's Traditional Country
65	Bluegrass
CHRISTIAN	
66	Christian Pop & Rock
67	Southern Gospel
68	Gospel
JAZZ & BLUES	
71	Smooth/Contemporary Jazz
72	Traditional Jazz
73	New Age
74	B.B. King's Blues
STANDARDS	
75	Sinatra/American Standards
77	Show Tunes
CLASSICAL	
78	Opera/Classical Vocals
79	Classical Pops
80	Traditional Classical
LATIN & INTERNATIONAL	
83	Tropical/Latin Pop
84	Reggae

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Appendix E

Sirius Canada Channel Listing

SPORTS

96	All Sports Radio	121	SportsCenter, College Gameday & More	125	Play-by-Play
97	Updates, News & Game Schedules	122	All Sports Talk & Play-by-Play	126	Play-by-Play
98	Hardcore Sports Radio	123	Mad Dog Radio with Chris Russo	127	Sporting News Radio
120	Sports Talk/Play-by-Play	124	24/7 NFL Talk	128	24/7 NASCAR Talk

TALK & ENTERTAINMENT

95	International Talk
99	Smart & Sexy Adult Radio
100	The Official HOWARD STERN Channel
101	The Stern Show West Coast Replay & Special Programs
102	SIRIUS Stars
108	SIRIUS Stars Too Great Talk Radio For Guys
109	Gay & Lesbian Radio
110	Politics of the United States
113	Specials
114	Call in to World Class Doctors
117	Books & Drama
135	NPR News & Talk
144	Conservative Talk
146	Liberal Talk
147	Just for Truckers

COMEDY

103	Blue Collar Comedy
104	Comedy Uncensored
105	Family Comedy
106	Comedy, Music & More Presented by Jamie Foxx

ESPECIALLY FOR WOMEN

111	Fun, Fearless, Female
112	How-to For Living

FAMILY & KIDS

115	The Music Destination for Kids & Families
116	Songs and Fun for Younger Kids
118	Old-Time Radio

RELIGION

159	Not What You'd Expect
160	EWTN Global Catholic Radio Network
161	Christian Talk

MADE IN CANADA

ENGLISH

85	Canadian Rock Music
86	Emerging Canadian Artists
95	International Talk
97	Updates, News & Game Schedules
98	Hardcore Sports Radio
137	News & Information
138	The Canadian Weather Network

FRENCH

87	Emerging Francophone Artists
88	Canadian Soft Rock
89	Pop, Rock & Urban
94	News & Information
96	All Sports Radio

NEWS

94	News & Information
129	CNBC
130	The World Leader in Business News
131	Fair & Balanced News
132	The Most Trusted Name in News
133	Headline News, a CNN Network
134	NPR News & Conversation
137	News & Information
138	The Canadian Weather Network
145	Talk Radio from Fox News

INTERNATIONAL

140	News Around the World
141	BBC World Service News

SIRIUS SATELLITE RADIO

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Appendix F
Comparative Balance Sheets

Balance Sheet	XM Canada As at May 31st, 2010	Sirius Canada As at May 31st, 2010
Assets		
Cash & short-term investments		
Other Current Assets		
Restricted investments (Interest payments + Letter of Credit)		
Long term prepaids		
Property and equipment		
Contract rights, distribution rights and computer software		
Total assets		
Liabilities		
Accounts Payable & accrued liabilities		
Deferred revenue		
Long-term debt & obligations		
Total liabilities		
Shareholders' Equity		
Share capital & contributed surplus		
Deficit		
Total shareholders' equity		
Total liabilities & shareholders' equity		

s.18(a)
s.18(b)

Board of Directors
November 16-17, 2010

Subject matter

2010 Employee Survey Update

Background

Update for employee engagement survey

Information on the matter

See attached documentation.

For decision:	☐	**For information:**	X

Prepared by

Name:	**Katya Laviolette**, Vice-president, People and Culture
Date:	October 28, 2010

Recommendation

Last discussed at the Board

Date:	N/A
Decision made:	N/A

Next steps

2010 Employee Survey Update

Presented to

Board of Directors

(November 16-17, 2010)

by Katya Laviolette

October 28, 2010

Survey objectives

- Obtain a benchmarked index of employee engagement across the organization
- Identify corporate and component-specific drivers of engagement to target high-impact areas to action
- Identify areas of strength and opportunities for improvement to strengthen overall organizational effectiveness
- Build and execute a process to create sustainable change and measurable progess

Survey participation

Dialogue
CBC Radio-Canada

RESULTS AS OF OCTOBER 28, 2010
ALL COMPONENTS

	COMPLETE	TOTAL OUTGOING	% COMPLETE
ENGLISH SERVICES	3142	4678	67,2%
FRENCH SERVICES	2802	4540	61,7%
CORPORATE STRATEGY AND BUSINESS PARTNERSHIPS	57	70	81,4%
MEDIA TECHNOLOGY SERVICES AND REGULATORY AFFAIRS	176	238	73,9%
FINANCE AND IT	236	278	84,9%
PEOPLE AND CULTURE	240	266	90,2%
REAL ESTATE, LEGAL SERVICES AND GENERAL COUNSEL	122	142	85,9%
BRAND, COMMUNICATIONS & CORPORATE AFFAIRS	35	37	94,6%
* OTHERS (including employees on leave non-identified to a component)	125	147	85,0%
TOTAL	6935	10396	66,7%

* Final numbers adjusted for employees on sick leave

Proposed governance and action strategy

CBC/
Radio-Canada

CBC/RC ADVISORY COMMITTEE

- Reviews corporate/overall results and drivers, establishes corporate direction/focus areas aligned with strategic and cultural priorities
- Identifies potential national-level programs/vehicles for action
- Maintains oversight for actions taken at corporate level while coordinating with component advisory teams on their actions

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COMPONENT ADVISORY COMMITTEE (3)

- Reviews component results/drivers in combination with overall corporate drivers/focus, determines common and unique focus areas
- Maintains oversight of actions taken within component in collaboration with SMT's, to ensure focus and alignment
- Delegate member represents component strategies and actions to corporate advisory team

Executive Directors
with leadership teams

- Review results of the division relative to component and corporate direction. Communicate component direction and set direction for their teams to
- Advise employees, enable their participation, access resources, follow-up on objectives set, ensure common focus but latitude for developing and implementing solutions
- Share actions and results with component

Next steps

Presentation of overall results to SET and recommendations for area(s) of national focus	November / December 2010
Communication of high-level results and area(s) of national focus for action	December 2010
Establishment and briefing of advisory committees, direction-setting for national results to action	Beginning January 2011
Communication of component-level results and direction-setting for component results to action	February 2011
Convocation of extended steering committee to communicate national and component direction	February 2011
Convocation of advisory committees and extended steering committee for follow-up on action plans	Summer 2011, Fall 2011, Spring 2012

Appendix

Survey items

I believe I have the opportunity for development and growth at CBC/Radio-Canada.

I fully apply my skills and abilities in my work.

My direct supervisor gives me regular feedback on my performance.

I have the tools and equipment I need to do my job effectively.

My work gives me a strong sense of personal accomplishment.

My job provides me with challenges without overwhelming me.

At the present time, I am seriously considering leaving CBC/Radio-Canada.

I have the skills necessary to succeed in my job.

I set high standards for myself.

CBC/Radio-Canada makes adequate use of recognition and rewards other than money to encourage good performance.

CBC Radio-Canada is doing a good job of the following:

- Acquiring technology that helps us to fulfill our mission
- Finding creative uses for the technology we have
- Incorporating new technology into the way we work
- Providing access to the technology employees need to do their job well
- Ensuring that we transfer knowledge about useful technology within the company
- Providing sufficient support to employees for using new technology

In your view, how does CBC/Radio-Canada compare with its media competitors on the development of innovative new Canadian programs and services?

In your view, how does CBC/Radio-Canada compare with its media competitors on the quality of its programs and services?

Survey items (cont'd)

I am proud to be associated with CBC/Radio-Canada.

I would recommend CBC/Radio-Canada to others as a good place to work.

I receive useful information from senior management on the future direction of CBC/Radio-Canada.

I have a clear understanding of the goals and objectives of:

- CBC/Radio-Canada
- my component
- my department

I understand how the work I do contributes to the success of:

- CBC/Radio-Canada
- my component
- my department

My direct supervisor gives me recognition for a job well done.

I work beyond what is required of me to help CBC/Radio-Canada succeed.

I believe strongly in CBC/Radio-Canada's mission to express Canadian culture and enrich the democratic life of Canadians.

I believe CBC/Radio-Canada is doing an excellent job of drawing together all Canadians.

CBC/Radio-Canada has established a climate where people can challenge our traditional ways of doing things.

I feel passionate about working for Canada's national public broadcaster.

Sufficient effort is made by CBC/Radio-Canada to seek the opinions and ideas of its employees.

CBC/Radio-Canada supports diversity in the workplace (recognizing and respecting the value of human differences).

There is a strong feeling of trust between members of my team.

Survey items (cont'd)

I have a clear understanding of the values for which CBC/Radio-Canada stands.

Employees are treated with respect here, regardless of their job.

My direct supervisor is responsive to suggestions for change/improvements from team members.

In your view, what kind of job is your direct supervisor doing in leading change?

My direct supervisor does a good job of encouraging teamwork.

In your judgment, what kind of job is senior management doing in leading change?

Decisions are made at the appropriate level at CBC/Radio-Canada.

Too many approvals are required for routine decisions at CBC/Radio-Canada.

I believe CBC/Radio-Canada is socially responsible in the community.

I believe CBC/Radio-Canada is an environmentally responsible organization.

There is good collaboration between people in different parts of the organization who are working on similar projects or issues.

My department operates efficiently.

There is too much duplication of effort across departments at CBC/Radio-Canada.

The information I need to do my job is readily available.

Looking back over the past 12 months, I think CBC/Radio-Canada has:

Senior management takes action to make improvements based on employee input.

Looking ahead to the next year or so, I believe CBC/Radio-Canada will:

Taking everything into account, how satisfied are you with CBC/Radio-Canada as a place to work ?

I believe management will act on problems identified by this survey.

Survey items (cont'd)

I have a clear understanding of the values for which CBC/Radio-Canada stands.

CBC/Radio-Canada does an excellent job of keeping employees informed about matters affecting us.

Over the past 24 months, the climate of respect at CBC/Radio-Canada has:

I am generally able to balance my work and personal responsibilities.

There is a climate of respect within my work / program team.

I am satisfied with the level of my involvement in decisions that affect my work.

There is good collaboration between work groups within my department.

What suggestions do you have to make CBC/Radio-Canada a better place to work?

Schedule A

Board of Directors

November 16th and 17th, 2010

Subject matter

Update on Litigation

Background

The Board has requested an update on the status of certain major court cases currently involving the Corporation and its executives.

Information on the matter

See attached briefing notes.

For decision	☐	**For information**	X

Prepared by

Name: Maryse Bertrand Date: November 5th, 2010

Management recommendation

N/A

Last discussed at the Board

Date: June 23rd, 2010 Decision made: **N/A**

Next steps

N/A

CBC Radio-Canada

Linda Facchin
Executive Director
Legal affairs, Labour relations and
Employment law
Direct line: (514) 597-6727
Facsimile: (514) 597-4125

Memorandum

To/À: Maryse Bertrand, Katya Laviolette

From/De: Linda Facchin

Date: October 29, 2010

File/Dossier: 2004-00300

Subject/Objet: Class Action Suit on pension surplus – Highlights of Justice Pollack's decision

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On October 25, 2010, the Ontario Superior Court rendered its decision in the class action suit *Waterston v. CBC,* finding in favour of the CBC on all issues.

<u>Issues:</u>

This was a motion pursuant to the *Class Proceedings Act* for the approval of:

1. the proposed settlement of a certified class proceeding between the CBC and Mr. Waterston (a CBC retiree and former president of the CBC Pensioners National Association) with respect to the CBC Pension Plan and the use of its surplus ("Proposed Settlement"); and
2. the legal counsel fees of Class Counsel.

The settlement motion brought by the parties was in accordance with the terms of the Memorandum relating to surplus sharing under the Canadian Broadcasting Corporation Pension Plan and to cost management under the Canadian Broadcasting Corporation Supplementary Health Care Plan (MOA) which all unions (with the exception of the SCRC) signed on May 22, 2009 that put an end to long standing litigation regarding pension surplus.

The SCRC brought a cross-motion seeking the right to intervene in the class action suit and also seeking to postpone or stay these proceedings until the decision of the Quebec Court of Appeal, in a purportedly related litigation, is rendered. By way of background, this other litigation involves grievances before Labour Arbitrator Nadeau, which are currently under appeal before the Quebec Court of Appeal *("Nadeau"),*and focuses on whether the CBC had the obligation to follow the recommendations made by the CCSB with respect to an entirely different pension surplus.

In its cross motion, the SCRC submitted that the Court has no jurisdiction over this subject matter (ie approval of the Proposed Settlement) because the Pension Plan arises out of the collective agreement over which, according to the Supreme Court of Canada ("SCC") decision in *Bisaillon,* Arbitrator Nadeau has exclusive jurisdiction. The SCRC further submitted that Arbitrator Nadeau already determined this issue regarding the distribution of a pension surplus and therefore this Court should be precluded from ruling on this (thereby applying the principles of res judicata or *chose jugée*). The SCRC also sought to have the Proposed Settlement dismissed and/or the class action suit dismissed.

Conclusion:

The Superior Court of Ontario dismissed the SCRC's cross motion and rejected SCRC's request for intervenor status. Further the Court granted the CBC and PNA motion, approving the Proposed Settlement and the legal class counsel fees of the PNA.

Analysis:

1) SCRC's Cross Motion:

The Court proceeds on the assumption that the law concerning the court's jurisdiction changed with the SCC decision in *Bisaillon* (see para. 69). By way of background, three months after the certification of the class, the SCC released its decision in *Bisaillon,* where it held that labour arbitrators have exclusive jurisdiction over matters such as pension plan disputes since the essential character of such disputes involves the interpretation of the collective agreement. With the CBC successfully invoking the doctrine of issue estoppel, the Court held that, relying on the *National Money Mart* case, the SCRC is prevented from re-litigating or reconsidering the certification order, even though the law may have subsequently changed in *Bissaillon.* Further, the Court expressly found that the SCRC position is an abuse of process and there is no justification to allow a collateral attack on the certification order (see para. 74-76). The SCRC's decision to challenge the jurisdiction of this Court was motivated by the SCRC's review of the terms of the Proposed Settlement and *not* the knowledge that there had been a change in the law.

Further, the Court accepted CBC's position that the arbitration before Arbitrator Nadeau dealt with issues distinct from the issues in this action (see paras. 37 + 39). In particular, "*the grievance was about obligations under a collective agreement; this class action is about a historical agreement allegedly outside of the collective bargaining*". As such, the principles of res judicata has no application in this case.

2) Approval of the Proposed Settlement & Legal Counsel Fees

In concluding that the Proposed Settlement is fair and reasonable and in the best interests of the class, the Court approved the settlement (see para. 98). Further, the Court approved counsel fees, in light of the complexity of this matter, as is customary in class action suits.

The Court declined to decide the issue of whether the settlement violates the collective agreement between CBC and the SCRC, saying the court does not have jurisdiction on that issue and it is not a factor to be decided for purposes of the settlement approval (see para. 102).

3) Costs

The Court invites the successful parties (CBC and the PNA) to file costs submissions within 20 days (i.e. by November 14).

4) Right to Appeal

There is case law holding that an objecting class member has no right of appeal from an order approving the settlement. Thus, two former SCRC members and retirees of CBC who were objectors (and represented by SCRC counsel) will not be able to appeal the settlement.

However, the denial of intervenor status on the cross-motion filed by the SCRC constitutes a final order for purposes of rights of appeal A right of appeal on the cross-motion is thus available to the Court of Appeal. In all likelihood, if the SCRC appeals it will challenge both the refusal to grant intervenor status and attempt to attack tthe approval of the settlement.

The SCRC would be required to deliver a Notice of Appeal within 30 days of Justice Pollak's order. <u>The deadline for the Notice of Appeal therefore is November 24, 2010.</u> An appeal would not automatically stay (suspend) the order approving the settlement. If the SCRC wanted to suspend the settlement pending the hearing of its appeal, it would need to bring a motion seeking an order to this effect.

Finally, the Court of Appeal hearing in the *Nadeau* matter, which is now scheduled to be heard on February 16 2011 is not affected by this decision, as accurately pointed out by Justice Pollack, as they are separate matters.

CBC Radio-Canada

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Briefing Document for the Quebec Superior Court Proceedings Initiated by Quebecor (et al) Against CBC/Radio-Canada (et al)

November 8, 2010

1 – Background

- In 1993, the Cable Production Fund was created following a proposal by cable operators to invest a portion of their revenue into TV production, rather than lower the rates they charged subscribers.
- In 1996, the government decided to invest in production as well, turning the Cable Production Fund into the Canadian Television Fund, whose goal was to promote the growth of the Canadian TV industry.
- The Canadian Television Fund, and its successor, the Canada Media Fund, are essential public-policy instruments in support of homegrown culture.
- The funds granted to independent Canadian TV producers come from two sources: (1) the government and (2) television signal distribution undertakings through payments made by subscribers (i.e., viewers).
- Funds go exclusively to independent producers; broadcasters do not receive money from the Fund.
- Under the former Canadian Television Fund, 37% of funding was guaranteed to producers for programs whose broadcast licences were acquired by CBC/Radio-Canada, and 63% for programs whose licences were held by other broadcasters.
- This reserved envelope no longer exists in the Canada Media Fund.

2 – Action and Impact

- On January 23, 2007, Quebecor unilaterally decided to suspend its monthly payments to the Fund, effective immediately. The decision was announced in a press release.
- Up to that point, all cable operators (except for Shaw, which had written a letter to the Fund a few weeks earlier) had complied with the Fund's Circular, which called for monthly payments. However, the legally enforceable regulation appears to only require payment on August 31 of each year.
- As a condition for resuming its payments, Quebecor demanded that major changes be made to the Fund's management, including eliminating the guaranteed 37% envelope for productions aired by CBC/Radio-Canada.
- Quebecor also claimed that Fund contributions were being used to finance CBC/Radio-Canada.
- The timing of Quebecor's decision, which came on the heels of a similar announcement by Shaw, jeopardized the upcoming Fall television season for all

independent producers and threatened to upset the balance and integrity of the system.
- As a broadcaster itself, Quebecor was surely aware of the impact this would have on the independent production industry.

3 – Opinion Expressed

- During an interview with *Le Devoir* reporter Paul Cauchon, Sylvain Lafrance explained Radio-Canada's position, set some facts straight, and expressed an opinion on Mr. Péladeau's and Quebecor's actions.
- Sylvain Lafrance weighed in on the situation because it threatened to undermine the entire independent production industry, with a significant detrimental impact on homegrown culture.
- In his response, Mr. Lafrance expressed the opinion that Mr. Péladeau is "acting like a *voyou* and trying to derail one of the most successful television systems in the world," based on legitimate facts.
- During interviews given to Radio-Canada reporters, Mr. Lafrance expressed the same opinion.

4 – Lawsuit

- Quebecor, Quebecor Media, Videotron and Pierre Karl Péladeau are suing CBC/Radio-Canada, Robert Rabinovitch and Sylvain Lafrance for libel, alleging that the defendants defamed them and injured their reputations.
- The plaintiffs blame Mr. Lafrance for uttering the remarks; Mr. Rabinovitch for doing nothing to mitigate the damage; and Radio-Canada for reporting Mr. Lafrance's libellous statements.
- The plaintiffs demanded a total sum of $2.1 million; subsequently, they announced that they would reduce this sum to $700 000, but also demanded the publication of a retraction and of a letter of apology in all the media having mentioned, repeated or commented on Mr. Lafrance's remarks.

5 – Our Position

- We deem this lawsuit to be excessive in light of recent jurisprudence, which has established the right to express one's opinions, no matter how objectionable, provided they are supported by fact.
- As a media organization itself, Quebecor is surely aware of recent defamation jurisprudence, just as it was aware of the impact that its decision to suspend monthly payments would have on the viability of Quebec independent production.
- Opinions that were just as harsh, if not more so, were voiced by other people, none of whom was threatened with legal action.

- Mr. Lafrance did nothing wrong, given that his opinion honestly reflected what he thought of Mr. Péladeau's and Quebecor's position under the circumstances; namely, that they were behaving like people with little respect for society's operating rules.
- Mr. Rabinovitch did nothing wrong in not requiring Mr. Lafrance to issue an apology.
- Radio-Canada did nothing wrong in airing Mr. Lafrance's opinion. The editorial independence of Radio-Canada journalists enabled them to freely request interviews with Mr. Lafrance and air his honest opinion. Keep in mind that Radio-Canada maintains strict separation between management and its news operations.

6 – Timeline

- **January 23, 2007** – Quebecor announces in a press release that it is unilaterally suspending its monthly payments to the Canadian Television Fund.
- **January 25, 2007** – CBC/Radio-Canada issues a press release to publicize its position on the impact that these decisions – Videotron's and the similar one by Shaw a few weeks prior – could potentially have on Canadian production, the industry in general, and CBC/Radio-Canada as public broadcaster.
- **January 25, 2007** – Konrad W. von Finckenstein is appointed CRTC chair.
- **January 30, 2007** – Mr. Lafrance grants an interview to *Le Devoir* reporter Paul Cauchon, during which, based on legitimate facts, he expresses his honest opinion that Mr. Péladeau is "acting like a *voyou*."
- **January 31, 2007** – The article appears in *Le Devoir.* Mr. Lafrance grants interviews to other media organizations.
- **February 2, 2007** – The chairs of the Quebecor, Quebecor media and Videotron boards of directors serve CBC President Robert Rabinovitch with a writ, copying members of the CBC/Radio-Canada board.
- **February 12, 2007** – Quebecor, Quebecor Media, Videotron and Mr. Péladeau file a defamation suit against CBC/Radio-Canada, Mr. Rabinovitch and Mr. Lafrance.
- **February 13, 2007** – Heritage Minister Bev Oda publicly states before the Standing Committee on Canadian Heritage that she has written to Shaw and Videotron requesting that they resume their monthly contributions to the Canadian Television Fund (CTF).
- **February 13, 2007** – The CRTC issues a statement saying: "The Commission is confident that Shaw and Quebecor will heed the Minister's call and resume monthly payments. If necessary, the Commission will move expeditiously to amend the regulations to explicitly specify the traditional monthly payments."
- **February 13, 2007** – Quebecor announces that it will resume monthly payments to the Fund.

Board of Directors
December 1, 2010

Subject matter

CMG and STARF Wage Re-openers

Background

The CMG collective agreement, that covers the period April 1, 2009 to March 31, 2014, provides for a general wage increase of 1.5% effective January 1, 2009 and an increase of 1.5% April 1, 2010. Base salaries shall be further increased April 1 in each subsequent year, based on Treasury Board funding.

Similarly, the STARF collective agreement, that covers the period April 1, 2009 to March 31, 2012, provides for general wage increases of 1.5% effective March 30, 2009 and 1.5% effective April 5, 2010. Base salaries shall be further increased on March 28, 2011, based on Treasury Board funding.

Specifically, both agreements state: "In the event that the Treasury Board rate for these subsequent years is more or less than 1.5%, the parties agree to reopen negotiations on wages only."

The Corporation is about to begin wage re-opener discussions with the CMG and STARF regarding the 2011/2012 general wage increases.

Information on the matter

See below.

For decision: ☒ **For information:** ☐

Prepared by

Name: **Katya Laviolette**, Vice-president, People and Culture

Date: November 29, 2010

s.18(b)

Recommendation

In line with the Strategic Plan for 2015, provide a general wage increase to base salaries, for a one-year period, effective April 1st, 2011 for CMG and March 28, 2011 for STARF.

Last discussed at the Board

Date: January 20, 2009

Decision made: Renewal of collective agreements

Next steps

Complete the wage re-opener talks with CMG and STARF ahead of their respective 2011 general wage increase effective date.

s.18(b)

Resolution

BE IT IS RESOLVED THAT the Human Resources and Compensation Committee recommends for approval to the Board of Directors, a general wage increase, to be applied to all eligible employees represented by the CMG collective agreement, effective April 1, 2011, and by the STARF collective agreement, effective March 28, 2011.

Board of Directors

December 1, 2010

Subject

Memorandum of Understanding with the SCFP

Background

The notice to bargain for renewing the collective agreement between CBC/Radio-Canada French Services and the SCFP was received on June 29, 2010. The existing agreement expired on September 26, 2010. The mandate to bargain was approved at the Board of Directors meeting of June 10, 2010. More specifically, the mandate

s.18(b) authorized at that time called for [redacted] The parties signed a memorandum of understanding on November 26.

Information on the matter

On November 26, 2010, CBC/Radio-Canada French Services and the SCFP signed a memorandum of understanding, which the representatives of the bargaining committees agreed to recommend to their respective constituents for approval.

Some highlights of the memorandum of understanding:

1. Term

The collective agreement comes into effect on the signing date and covers a term of five (5) years, through September 2015.

2. Increases

General wage increase of 1.4% on September 27, 2010, plus a 0.1% increase to the Health Care Fund.

General wage increase of 1.4% on September 26, 2011, plus a 0.1% increase to the Health Care Fund.

On September 24, 2012: reopening of the collective agreement for the next three (3) years (2012–13, 2013–14, 2014–15) only with respect to the monetary clauses having an impact on wages.

3. Phased-in retirement

Employees can use a portion of their severance pay in combination with “time worked” to allow them to opt for phased-in retirement.

4. Varia

Four (4) grievances settled; three (3) of them had reached the arbitration stage.

For decision: [X] **For information:** [ ]

Prepared by

Name:	**Katya Laviolette**, Vice-President, People and Culture
Date:	November 29, 2010

Recommendation

Approve the memorandum of understanding

Last discussed by the Board

Date:	June 10, 2010
Decision made:	Original bargaining mandate approved

Next steps

Communication and ratification of the new agreement.

Resolution

IT IS RESOLVED THAT the Human Resources and Compensation Committee recommends to the Board of Directors that the previous mandate be repealed and replaced by the approval of a mandate to conclude an agreement with SCFP for a five-year term from December 17, 2010, to September 26, 2015, including the following terms: (i) a general wage increase of 1.5% effective September 27, 2010; a further general increase of 1.5% effective September 26, 2011; and (ii) a wage re-opener clause for the final three years (2012–13, 2013–14, 2014–15).