


Minutes of the Meeting held on

February 21, 2013

Montreal, Quebec

 = by telephone

Members of the Board present:

Rémi Racine, Chairperson of the Board
Hubert T. Lacroix, President and Chief Executive Officer
Edward Boyd
Peter D. Charbonneau
George Cooper (until 11:10 a.m.)
Pierre Gingras
Marni Larkin
Terry Leier
Maureen McCaw
Patricia McIver
Brian Mitchell

Members of the Board absent:

None

In attendance:

Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Michael Mooney, Acting Vice-President and Chief Financial Officer
Stéphanie Duquette, Chief of Staff to the President and CEO
Tranquillo Marrocco, Associate Corporate Secretary

Also Participating:

Bill Chambers, Vice-President, Brand, Communications and Corporate Affairs (Item 10b)
Louis Lalande, Executive Vice-President, French Services (Item 10a)
Kirstine Stewart, Executive Vice-President, English Services (Item 10a)
John Affleck, Principal, Office of the Auditor General (External Auditor) (Item 6)
Alan Dark, General Manager, CBC Revenue Group, Media Sales and Marketing (Item 10a)
Martin Dompierre, Principal, Office of the Auditor General (External Auditor) (Item 6)
Marc Y. Lapierre, Executive Director, Real Estate Services (Item 9)
Maurice Laplante, Assistant Auditor General, Office of the Auditor General
(External Auditor) (Item 6)

Fred Mattocks, General Manager, Media Operations and Technologies, English Services 📞
(Item 9)

Jean Mongeau, General Manager, CBC Revenue Group (Item 10a)

Shaun Poulter, Senior Director, Government Relations (Item 10b)

Jerry Zubryckyj, Executive Director, Shared Services Center and Capital Process (Item 9)

Opening of the Meeting

At 8:30 a.m., the Chairperson called the meeting to order.

1. In Camera Session 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.

3. President and CEO's Report

The President and CEO gave his report during the in camera session.

6. Special Examination Report

Maurice Laplante reported that no significant deficiencies were found during the Special Examination. John Affleck then reviewed the scope of the Special Examination and its key findings and recommendations. He also acknowledged Management's acceptance of the recommendations, the constructive relationship between Management and the external auditors, and the development of a Management Action Plan to address the recommendations.

Peter D. Charbonneau provided an overview of the Audit Committee's discussion held on February 5, 2013, on the matter.

Board members inquired about the time investment to complete the Special Examination.

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, — That the Special Examination Report be approved.

2. Adoption of the Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the Minutes of the November 22, 2012, the January 29, 2013, and the February 5, 2013, Board of Directors meetings be approved.

4. Human Resources and Governance Committee Report

Ted Boyd summarized the discussions held by the Human Resources and Governance Committee on February 20, 2013, regarding the Short Term Incentive Plan and the Committee's decision to approve the proposed adjustments. He also reviewed the various governance matters discussed by the Committee, including holding Audit Committee meetings concurrently with other committee meetings, holding an informal breakfast in camera session prior to Board meetings and extending the Real Estate Committee to cover all infrastructure assets of the Corporation .

5. Audit Committee Report

Michael Mooney provided an overview of the Corporation's Q3 financial highlights and the impact on the results of the hockey league lockout and the subsequent season extension. He also summarized the contents of the draft press release circulated to Board members.

Board members inquired about the impact of the Pension Plan results, the discount rate on the Pension Plan's obligations, disposed assets, and how the monies from the disposal of assets are utilized.

Peter D. Charbonneau discussed briefly certain features of the Pension Plan's investment strategy. He then reported on the matters reviewed or discussed by the Audit Committee on February 20, 2013, including: the quarterly Financial Report and the associated press release, the risk reports, labour relations, infrastructure assets, the internal audit reports, the interim audit work carried out by the external auditors in preparation of the next audit, the revised Policy on Delegated Signing Authorities, and the impacts of the Chief Financial Officer's absence.

a) Q3 Financial Report

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, – That the 2012-2013 Q3 Financial Report be approved.

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, – That the press release regarding the 2012-2013 Q3 Financial Report be issued.

b) Delegation of Signing Authorities Policy

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, – That the revised Policy 2.9.03 - Delegation of Signing Authority be approved effective April 1, 2013.

7. Real Estate Committee Report

a) The *Maison de Radio-Canada* (MRC) Project

Rémi Racine noted that the Real Estate Committee met on February 20, 2013, to discuss the MRC project and that it will continue its discussions thereon at a special conference call meeting of the Committee to be convened for that purpose.

Board members briefly discussed the operating cost reductions and the transition to open office spaces.

10 Training – Information Session

b) Government Relations

Bill Chambers described the duties and staffing of the Government Relations team and, with Shaun Poulter, reviewed the context in which the public broadcaster operated in the past, and the Government Relations activities with respect to Members of Parliament, the civil service, the public service and our minister's office.

Board members then commented on the Government Relations strategies and activities.

a) Sales Operations

Alan Dark and Jean Mongeau reviewed the markets each revenue group operates in, the collaborative efforts between both teams, and forecasted marketplace trends and changes.

Board members inquired about the advertising revenue trend, the return on investment measurements, web-based television broadcasting, the nature and results of digital ad biddings, the Corporation's relationship with ad agencies, the sale of radio ads, future revenue opportunities, the staffing levels of the revenue groups, the cost of sales benchmarks, and opportunities to integrate sales staff further.

9. Update on Asset Review and Capital Budget Presentation Approach

Michael Mooney provided an overview of the scope of the capital asset review project.

Board members inquired about the original acquisition price of assets and their subsequent depreciated value, the source for capital funding, examples of capital leasing, the book value of the *Maison de Radio-Canada* and what percentage of the asset portfolio it represents, and the tools used to track assets.

8. In Camera Session (Independent Directors)

The Board met in camera to discuss several topics. No matters were reported to the Corporate Secretary for inclusion in the Minutes

11. Items for Information

- a) 2012-2013 Q3 Budgetary Management Report;
- b) 2012-2013 Summary of Government Funding
- c) Annual Risk Management Report (Review of 2012-2013);
- d) Key Risks and Action Plan for 2013-2014;
- e) 2012-2013 Q3 Industrial Relations;
- f) 2012-2013 Q3 Workforce Report;
- g) Reduction Plan Progress Report
- h) Olympic Games Update

Adjournment

At 2:30 p.m., the meeting was adjourned.

Chair

Secretary