

Minutes of the Meeting held on

May 15, 2013

Toronto, Ontario

Members of the Board present:

Rémi Racine, Chairperson of the Board

Hubert T. Lacroix, President and Chief Executive Officer (9:45 a.m. to 2:00 p.m.)

Vivian Bercovici

Edward Boyd

Peter D. Charbonneau

Pierre Gingras

Marni Larkin (9:00 a.m. to 2:50 p.m.)

Terry Leier

Maureen McCaw

Patricia McIver

Brian Mitchell

Members of the Board absent:

George Cooper

In attendance:

Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel

Stéphanie Duquette, Chief of Staff to the President and CEO

Tranquillo Marrocco, Associate Corporate Secretary

Also Participating:

Neil McEneaney, Interim Executive Vice-President, English Services (Item 11)

Bill Chambers, Vice-President, Brand, Communications and Corporate Affairs (Item 7)

Steven Guiton, Vice President, Media Technology Services and Regulatory Affairs, and
Chief Regulatory Officer (Item 3)

Roula Zaarour, Vice-President, People and Culture (Items 4 and 8)

Shaun Poulter, Senior Director, Government Relations (Item 7)

Audrey O'connell, Partner, Mercer (Item 8)

Jeffrey Orridge, Executive Director, Sports Properties, English Services and General
Manager, Olympics Sports Properties (Item 11)

Pat Vincent, Executive Director, Total Rewards, Wellness and Compliance, People and
Culture (Item 8)

Guests:

Gary Bettman, Commissioner of the National Hockey League (NHL) (Item 11)

Bill Daly, Deputy Commissioner & Chief Legal Officer, NHL (Item 11)

John Collins, Chief Operating Officer, NHL (Item 11)

Opening of the Meeting

At 9:00 a.m., the Chairperson called the meeting to order.

1. In Camera Session and President and CEO's Report

This agenda item was not proceeded with.

2. Adoption of the Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the Minutes of the March 20-21, 2013, Board of Directors meeting be approved.

3. Licence Renewal Update

Steven Guiton provided an overview of the CRTC licence renewal process, the key issues that arose during the CRTC proceedings, the key elements of the CRTC's draft decision, and the next steps.

Board members inquired about minority language groups, how the decision will impact our budget, and terms of trade agreements reached with other broadcasters.

The discussion on this agenda items was suspended in order to receive the Board's guests.

11. Meeting with Officials from the National Hockey League

Hubert T. Lacroix, on behalf of the Board, welcomed and introduced Gary Bettman, Bill Daly, and John Collins. He also provided an overview of the topics he discussed with them earlier today.

Gary Bettman and Board members then discussed various matters of mutual interest, including what the NHL can contribute to the achievement of *Strategy 2015*, the importance of hockey to Canadians, the relationship between owners and the NHL Players' Association, hockey games broadcast in the Canada-US border markets and on various platforms, and the safety of hockey players.

At the conclusion of the meeting, Board members thanked their guests and their continued collaboration with CBC/Radio-Canada.

3. Licence Renewals Update (cont'd)

The Board resumed its discussion on this agenda item.

Board members inquired about appeal options if the decision is unfavourable and the terms of trade agreements.

4. Human Resources and Governance Committee Report

4.3 SET Salary Planning

Edward Boyd provided an overview of SET members' base salaries, the benchmark used in determining the base salary of each position, and the recommended salary adjustment for each SET member.

Hubert T. Lacroix then informed the Board that the Technology Strategy Board and the Information Technology Service will report to Steven Guiton and answered questions on the re-organization's impact on SET's meetings.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the SET salary increases be approved as presented.

4.4 Pension Plan Amendment

Edward Boyd explained the rationale for the proposed Bylaw amendment.

Board members inquired on the government's plan to bring the public sector employees' share of pension plan contributions to 50%.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That, subject to ministerial approval, the amendments to the *Bylaw Schedule "B" CBC Pension Plan* (see Appendix 1) which modify the rate paid by the employees to be consistent with a share of the pension contribution of 40%, be approved effective July 1, 2013.

4.5 Negotiation Mandate – Association of Professional and Supervisors (APS)

Edward Boyd provided an overview of issues identified for the negotiations and the rationale for the proposed mandate.

Board members inquired about the costs associated with the various elements in the bargaining mandate.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the negotiation mandate with the Association of Professional and Supervisors (APS) be approved as presented.

4.10 Other matters

Edward Boyd reported that, pursuant to the Bylaws' Code of Conduct provisions, the Committee was asked to approve the expansion of Heenan Blaikie's existing mandate with the Corporation because a Director, through her employer, may have an interest in that contract. He explained that the original mandate, which preceded Vivian Bercovici's appointment to the Board, was in relation to the Corporation's application before the Canada Industrial Relations Board to merge the unions in French Services and that the additional resource being sought is to assist the Corporation with its collective bargaining negotiations.

4.6 Bylaw Amendment – Director Remuneration

Rémi Racine provided an overview of the rationale for the proposal and the discussions held by the Human Resources and Governance Committee at its May 14, 2013 meeting. He also noted that the Committee opted to recommend an amendment to the Bylaws to streamline the fee schedule in accordance with government practices.

Board members inquired about the impact of the proposed adjustments.

On the recommendation of the Human Resources and Governance Committee, **IT WAS UNANIMOUSLY RESOLVED**, – That, subject to ministerial approval, Schedule “K” of the Bylaws be amended by:

a) Replacing Sections 1, 2 and 4 with the following:

- “1. Pursuant to Sub-section 51(1)(a) of the *Broadcasting Act*, the per diem fee payable to directors, other than the Chairperson of the Board and the President, for the attendance (including participation by video-conference) at meetings of the Board and its committees, shall be \$2000, provided that:
 - i. Only an amount equivalent to one-fourth of the per diem fee shall be payable when a meeting is held by conference call;
 - ii. Committee Chairpersons shall receive an additional amount of \$250 for each Committee meeting chaired; and
 - iii. Audit Committee members shall receive an additional amount of \$300 for each Audit Committee meeting attended.”; and

b) Renumbering the remaining sections accordingly.

4.7 Corporate Policies Framework

Edward Boyd provided an overview of the rationale for the proposal and the discussion held by the Committee at its May 14, 2013 meeting.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That:

1. The Bylaws of the Corporation be amended by deleting section 1(1)(o);
2. The Terms of Reference of the Board be amended by deleting section 1(c);
3. The Terms of Reference of the Audit, the Human Resources and Governance, and the Infrastructure committees be amended by adding the following provision:

"The Committee shall exercise oversight over Corporate Policies under its purview by:

- a) Maintaining a list of "significant" Policies for which Committee approval is required;
- b) Reviewing Management’s annual summary report on policy reviews completed, policy changes made, and planned policy reviews; and
- c) Formulating policy recommendations or orientations when appropriate.”;

4. The Terms of Reference of the Human Resources and Governance Committee be amended by adding the following new provision:
"The Committee shall exercise an oversight role over the Corporate Policy Framework and over corporate policies not assigned to other Committees."
5. The Corporate Secretary be authorized to make any consequential amendments to the Terms of Reference of the Board and of its Committees.

4.8 2013 Annual Public Meeting

Board members noted that they should participate in the Annual Public Meeting by attending the live broadcasts at their local stations.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the 2013 Annual Public Meeting be held in Toronto on October 23, 2013, preferably during the lunch hour.

4.9 2014 Calendar of Meetings

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the proposed 2014 calendar of meetings of the Board and its Committees be approved with the following date change: from February 19-20, 2013 to February 25-26, 2013.

The discussion of other matters considered by the Committee (4.1 CEO's 2012-2013 Performance Evaluation and 4.2 CEO's 2013-2014 Performance Plan) were deferred to later this day.

7. Legislative Updates

7.1 Bill C-461

Maryse Bertrand provided an overview of the Bill's provisions that may impact the Corporation. Shaun Poulter then informed the Board on the status of the legislation in the legislative process and the next stages.

Board members inquired about the likelihood of the Bill's passage and potential future litigation arising from the Bill's provisions.

7.2 Bill C-60

Maryse Bertrand provided an overview of the Bill's provisions relating to collective bargaining and terms of employment that may impact the Corporation and the Corporation's available options. Shaun Poulter then summarized the discussions held with, and correspondence sent to, ministerial and government officials on the matter.

Board members discussed the approach Management should take with regard to this matter. They expressed support for Management's approach to date and requested that they be kept abreast of any further legislative developments.

5. Strategic Planning Committee Report

Edward Boyd reported that on April 15, 2013, the Committee had resumed its consideration of the Beyond 2015 initiative and summarized the issues raised by committee members with regard to the proposed international advisory panel. He also noted that the Committee concurred with Management's proposed approach and requested that progress reports be presented to the Committee on a semi-annual basis.

Board members inquired about the projected costs for the international advisory panel.

6. Infrastructure Committee Report

6.2 Other Matters

Rémi Racine reported that the Committee approved two contracts: one with SintecMedia to upgrade the OnAir Software and the other with Combat Networks to replace and consolidate the legacy PBX systems located in larger production centres across the country into two new core systems/servers in Toronto and Montreal.

6.1 Information Technology Services' Strategic Plan

Rémi Racine reported that the Committee will review the strategies of the four components that comprise the Technology Strategy Board and that, at its May 14, 2013 meeting, the Committee reviewed the strategic plans of the Information Technology Services.

The Board inquired about the impact of having information reside on foreign servers.

On the recommendation of the Infrastructure Committee, **IT WAS RESOLVED**, – That the Information Technology Services' 2012-2015 Strategic Plan be approved.

4. Human Resources and Governance Committee Report (cont'd)

The independent members of the Committee met in camera with Roula Zaarour in attendance to discuss the remaining items considered by the Committee.

4.1 CEO's 2012-2013 Performance Evaluation

The Chairperson reported to the Corporate Secretary for inclusion in the Minutes that, on the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the 2012-2013 performance review of Hubert T. Lacroix be approved with the ratings recommended by Committee.

4.2 CEO's 2013-2014 Performance Plan

The Chairperson reported to the Corporate Secretary for inclusion in the Minutes that, on the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, – That the 2013-2014 performance plan of Hubert T. Lacroix be approved as amended by the Committee and subject to a final version with performance targets being presented for approval at the June 2013 meetings.

9. Varia & In Camera Session

The independent members of the Board met in camera. No matters were reported to the Corporate Secretary for inclusion in the Minutes.

8. Training - Compensation and Benefits

Roula Zaarour and Patricia Vincent provided an overview of the Corporation's compensation, benefits and pension programs. Audrey O'Connell explained which comparator companies were used for benchmarking the various total compensation elements.

Board members inquired about young employees' interest in pension benefits, consultations with unions regarding employee benefits, private sector cost-sharing benchmarks for benefits, whether health conditions affect contribution levels for benefits, the increases in employees' pension plan contributions, an optimal benefits matrix for the younger generation, efforts to attract young people to work for the Corporation, the portability of benefits, the importance of work/life balance, the "bumping" process, and the timeline for merging the unions in French Services.

10. Information Items

10.1 2012-2013 Annual Report

Adjournment

At 3:30 p.m., the meeting was adjourned.

Appendices:

1. Amendments to the *Bylaw Schedule "B" CBC Pension Plan*

Chair

Secretary

Appendix 1

Amendments to Bylaw Schedule "B" CBC Pension Plan

That, effective July 1, 2013, Bylaw Schedule "B" CBC Pension Plan be amended as follows:

1. Paragraph 4.1(d) be replaced with the following:

Contribution rates after July 2012

"(d) Except as otherwise provided, contributions to the CBC Pension Plan in respect of the period beginning July 1, 2012 shall be made by payroll deduction or as determined by the Corporation while the Contributor remains an Employee accruing Pensionable Service in the following amount:

(i) In respect of the period beginning July 1, 2012 and ending June 30, 2013:

(A) the sum of

(1) five and fifty three hundred percent (5.53%) in respect of Salary up to and including the YMPE, and

(2) seven and twenty seven hundred percent (7.27%) in respect of Salary exceeding the YMPE,

(B) multiplied by the Full-Time Equivalent Rate of the Contributor for the given period.

(ii) In respect of the period beginning July 1, 2013;

(A) the sum of

(1) six and nineteen hundred percent (6.19%) in respect of Salary up to and including the YMPE, and

(2) eight and fourteen hundred percent (8.14%) in respect of Salary exceeding the YMPE,

(B) multiplied by the Full-Time Equivalent Rate of the Contributor for the given period."

2. Paragraph 4.1(f) be replaced with the following:

Increased rate

"(f) Notwithstanding paragraphs 4.1(c) and (d), the rate of contributions set out in clause 4.1(c)(i)(B), 4.1(d)(i)(A)(2) or 4.1(d)(ii)(A)(2), as applicable, shall apply to the entire Salary during any period in which the Contributor does not make contributions under the Public Pension Plan by reason of age."