373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Montreal, Quebec – January 19-20, 2010

Tuesday, January 19, 2010

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. In Camera with President and CEO	16:00 (30 min)			
2. Approval of the minutes of the November 18, 20, 2009 meeting and of the conference call of December 17, 2009	16:30 (5 min)	Timothy Casgrain	YES	YES
3. Matters arising from previous meetings	16:35 (5 min)			
4. President's Report	16:40 (10 min)	Hubert T. Lacroix		
5. Chair's Report	16:50 (10 min)	Timothy Casgrain		
6. Audit Committee Report	17:00 (15 min)	Peter Charbonneau		
7. Nominating and Governance Committee Report	17:15 (5 min)	Peter Herrndorf		
8. Human Resources and Compensation Committee Report	17:20 (10 min)	Edna Turpin		
• Executive Total Compensation and Incentive Plan Re-Design			YES	
• Reserve Payment – Horizon Plan			YES	
• AF of M Mandate			YES	
9. Strategic Planning Committee Report	17:30 (10 min)	Peter Charbonneau		
10. Real Estate Committee Report	17:40 (10 min)	Rémi Racine		
• Terms of Reference			YES	
• Disney Transaction			YES	
Adjournment	17:50			
Wednesday, January 20, 2010				
11. Approval of Corporate Plan	08:30 (30 min)	Michel Tremblay	YES	YES
Next meeting – March 16 –17, 2010 – Ottawa				
Conclude	12:00			

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) President's Signing Authority Resolution – Maryse Bertrand
e) Update on Recovery Plan – Suzanne Morris

373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Montreal – January 18, 19 & 20, 2010

	# NTS	ARR.	DEP.	Standing	Audit	Governance	HR	Strategic Planning	Board Dinner	Board
CASGRAIN, Timothy W. Toronto	3	Jan. 17	Jan. 20	X	X	X	X	X	X	X
Hubert T. Lacroix Montreal	-			X	X	X	X	X	X	X
BLACK, Linda Calgary	4	Jan. 16	Jan. 20	X	-	X	X	X	X	X
CHARBONNEAU, Peter Ottawa	3	Jan. 17	Jan. 20	X	X		-	X	X	X
COOPER, George Halifax	3	Jan. 17	Jan. 20	X	-	X	-	X	X	X
HERRNDORF, Peter Ottawa	3	Jan. 17	Jan. 20	X	-	X	-	-	X	X
McIver, Patricia Vancouver	3	Jan. 17	Jan. 20	X	X	-	-	-	X	X
McQUEEN, Trina Toronto	3	Jan. 17	Jan. 20	X	X	-	-	-	X	X
MITCHELL, Brian Montreal	-			X	X	-	-	-	-	X
RACINE, Rémi Montreal	-			X	-	-	X	X	X	X
Edna Turpin St. John's	4	Jan. 16	Jan. 20	X	X	-	X	-	X	X
John F. Young Prince George	3	Jan. 17	Jan. 20	X	-	X	-	-	X	X

Hôtel Place d'Armes (514) 842-1887

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

I. PURPOSE

The purpose of the Audit Committee (the "Committee") is to assist the Board in fulfilling its oversight responsibilities by monitoring the integrity of the financial information that will be provided to Parliament and other stakeholders, the systems of internal controls and risk management, which management and the Board have established, and the audit process.

The Committee affords management, the internal auditor and the external auditor a direct conduit to the Board while keeping with the Board certain ultimate decision making powers or responsibilities which have not already been otherwise delegated to the Committee, management or to the Pension Board of Trustees.

II. COMPOSITION AND TERMS OF OFFICE

A. The Committee shall consist of not fewer than three and not more than six directors, none of whom may be officers or employees of the Corporation. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.

B. The Committee Chair and the 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 four times a year, and at such other times as may be requested by the Committee Chair. The internal or the external auditor or any member of the Committee may call a meeting of the Committee.

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

E. All members of the Committee shall be financially literate. Financial literacy shall mean that a Director has, at a minimum, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those raised by the Corporation's financial statements.

F. The Committee Chair shall, in consultation with the Chief Financial Officer and the internal auditor, set the agenda and the annual timetable, which shall then be circulated among the Committee members.

G. The Board Chairperson, the President and CEO, the Chief Financial Officer, the internal auditor and the external auditor shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with the external and/or internal auditor or with only members of the Committee.

H. The internal auditor and the external auditor shall each meet separately with the Committee in camera, at least once annually.

I. The Committee shall periodically review its own terms of reference to ensure they continue to be appropriate, and shall make recommendations to the Board for changes as necessary.

J. The Corporate Secretary or his/her delegate shall serve as Secretary to the 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. Financial Statements and Other FinanciaInformation

The Committee shall:

i) review the Corporation's audited financial statements and recommend their approval by the Board;

ii) review the Corporation's quarterly management financial statements and reports;

iii) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements, and approve any changes to such policies;

iv) review the financial sections (Highlights and Management Discussion and Analysis) of the Annual Report with particular attention to the presentation of unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, changes in accounting principles and all significant variances between comparative reporting periods;

v) review the Statement of Management's Responsibility for the Financial Statements as signed by senior management;

vi) receive the report from the CFO regarding off balance sheet commitments.

B. Risk Management, Internal Control and Information Systems

The Committee shall oversee the development and operation of an integrated corporate risk management framework to provide assurance that the key risks are identified, prioritized and managed appropriately. The Committee shall also review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. The Committee shall:

i) review the appropriateness of the Corporation's financial management controls and significant finance policies and recommend changes as necessary;

ii) review, discuss and consider with the external and internal auditors the approach to risk assessment including an annual assessment of areas of greatest risk to the Corporation and steps taken to address those risks;

iii) obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented, through discussions with and reports from management, the internal auditor and the external auditor;

iv) review management steps to implement and maintain appropriate internal control procedures including a review of policies;

v) receive confirmation from management regarding compliance with legal and regulatory requirements;

vi) review insurance coverage of significant business risks and uncertainties; and

vii) review any litigation claims or other contingency that could have a material effect upon the financial position or operating results of the Corporation, and ensure appropriate disclosure thereof in documents reviewed by the Committee.

C. Internal Audit

The Committee shall oversee the Corporation's internal audit function and the internal audit relationship with the external auditor and with management. In the event the Corporation requests the firm that currently provides the internal audit services to provide other non-audit services, the Chief Financial Officer will consult with and obtain approval from the Committee Chair before the work begins or a contract is finalized. The Committee will be informed at the first meeting following approval of any such contract and will receive a report of the cumulative amount of contracts so awarded on a yearly basis.

The Committee shall:

i) review and approve the appointment and termination of the internal auditor;

ii) review and approve the annual internal audit plan;

iii) review internal audit findings and recommendations, and management's response thereto;

iv) review all follow-up work on internal audit findings

v) consider and review with management and the internal auditor:

a) any difficulties encountered by the internal auditor in the course of his/her audits, including any changes to or restrictions on the scope of his/her work or access to required information;

b) the internal auditor's budget and staffing;

c) the internal auditor's mandate; and

d) the internal auditor's performance against budget and mandate.

vi) meet periodically and at least annually, with the internal auditor without management present;

D. External Audit

The Committee shall review the planning and results of external audit activities and the ongoing relationship with the external auditor. The Committee shall:

i) review the annual attest audit plan of the external auditors;

ii) review with the external auditor the contents of the annual audit report and review any significant recommendations from the external auditor to strengthen the internal controls of the Corporation;

iii) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:

a) any difficulties encountered, or restrictions imposed by management, during the annual audit;

b) any significant accounting or financial reporting issues;

c) the auditors' evaluation of the Corporation's system of internal controls, procedures and documentation;

d) any significant findings or recommendations contained in the external auditor's report, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses; and

e) any other matters the external auditor brings to the Committee's attention.

iv) review any unresolved significant issues between management and the external auditor that could affect the financial reporting or internal controls of the Corporation;

v) review the auditor's report on all material subsidiaries;

vi) meet periodically, and at least annually, with the external auditor without management present;

vii) where the Corporation is undergoing a special examination, review and advise the Board with respect to the plan and reports referred to in sections 138-142 of the Financial Administration Act, and

viii) where a special examination report has been issued by the external auditor, review the action plan prepared by management in response to the special examination report and monitor its implementation.

E. Other

The Committee shall:

i) receive reports on all subsidiaries or any entity in which the Corporation has a significant interest;

ii) review all financial information included in prospectuses and other offering memoranda and recommend approval by the Board;

iii) subject to (a) the President and CEO's signing authority and (b) the duties and responsibilities of other Board Committees to review and recommend Board approval of transactions, as delegated by the Board and exceptions thereto, review and approve all transactions which have an economic value of five million dollars ($5M) or more as referred to the Committee by the President and CEO in consultation with the Committee Chair;

iv) subject to the President and CEO's signing authority as delegated by the Board, 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;

v) conduct or authorize investigations into any matters within the Committee's scope of responsibilities and for that purpose, the Committee may retain independent counsel, accountants, or others to assist in the conduct of any investigation;

vi) receive from the Senior Officer appointed pursuant to the Whistleblower Policy notice of any disclosure of wrongdoing which is considered to be sufficiently serious and material to the Corporation and of the steps taken or underway to deal with the matter;

vii) on an annual basis, receive from the Senior Officer appointed pursuant to the Whistleblower Policy a report summarizing his/her activities in relation to any disclosures of wrongdoing by employees.

viii) a) on an annual basis, receive and review a report on the activities of the CBC Pension Plan, including financial results, pension fund performance, administration of the CBC Pension Plan, plan liabilities, funding and governance of the CBC Pension Plan, and recommend to the Board of CBC/Radio-Canada any necessary changes to the by-laws creating the pension plan or to the plan itself, and subject to the Corporation's by-laws;

b) recommend changes as necessary or appropriate to funding or use of surplus;

c) recommend the appointment or removal of trustees; and

d) generally recommend to the Board of CBC/Radio-Canada any change to the role of trustees.

ix) perform such other functions as assigned by law, the Corporation's By-Laws, or the Board, and review other items of an internal control, financial or risk management nature which may from time to time be brought before the Committee.

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. In absence of express authority from the Board, the Committee will not, without the concurrence of both management and the auditors, have either the responsibility or authority for altering the financial statements or the accounting procedures of the Corporation.

V. COMMITTEE CHECKLIST

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

STANDING ITEMS

- Review one or more significant risks of the Corporation and the risk management strategy for each
- Consider and review with management and the internal auditor any difficulties encountered in the course of audits, including changes to or restrictions on scope of work or access to required information
- Meet with internal auditor and /or external auditors (without management)
- Meet in camera (without internal auditor, external auditors or management)

QUARTERLY ITEMS

- Review Corporation's quarterly management financial reports
- Receive confirmation from management regarding compliance with legal and regulatory requirements
- Review internal audit findings and recommendations, and management's response
- Review all follow-up work on internal audit findings

JANUARY

- Standing Items
- Review specific follow-up items

MARCH

- Standing Items
- Quarterly items
- Review with the external and internal auditors, approach to risk assessment and areas of greatest risk
- Review insurance coverage of significant business risks and uncertainties
- Review internal audit plan
- Consider and review with management and the internal auditor the internal auditor's budget and staffing, internal auditor's mandate and internal auditor's performance against budget and mandate

MAY

- Standing Items
- Review specific follow-up items
- On an annual basis, receive from the Senior Officer appointed pursuant to the
- Whistleblower Policy a report summarizing his/her activities in relation to any disclosures of wrongdoing by employees.
- Receive report from Board of Trustees (Pension Plan)

JUNE

- Standing Items
- Quarterly Items
- Review audited financial statement and submit to Board for approval
- Review appropriateness of accounting policies used in the preparation of financial statements and recommend changes to policies
- Review financial disclosures (Highlights and Management Discussion and Analysis) and reporting in the Annual Report and submit to the Board for approval
- Review statement of Management's responsibility for financial statements signed by Senior
- Management
- Review litigation claims or contingencies that could have a material effect upon the Corporation's financial position or operating results
- Receive report from the CFO regarding off balance sheet commitments.
- Review contents of Annual Report with external auditor and any significant recommendations to strengthen internal controls
- Review and advise Board on planning, conduct and reporting from external auditor including any difficulties encountered, restrictions imposed by Management, any significant accounting or financial reporting issues; matters brought to the Committee by the external auditor; auditors evaluation of Corporation's system of internal controls
- Review any unresolved significant issues between management and external auditor affecting financial reporting or internal controls
- Review auditor's report on all material subsidiaries

SEPTEMBER

- Standing Items
- Quarterly Items
-

NOVEMBER

- Standing Items
- Quarterly Items
- Review with the external auditors, approach to risk assessment and areas of greatest risk
- Review annual attest Audit Plan of external auditors
- Recommend appointment or removal of Trustees
- Recommend any changes to the role of Trustees

WHEN NEEDED

- Obtain assurance that information systems are reliable and internal systems are properly designed and effectively implemented
- Review management steps to implement and maintain appropriate internal control procedures including review of policies
- Review appropriateness of financial management control and significant policies
- Review and approve the appointment and termination of internal auditor

- Review all financial information included in prospectuses and other offering memoranda and recommend approval
- Conduct or authorize investigations into any matters with the Committee's scope of responsibilities
- Recommend changes to funding or use of surplus of Pension Plan
- Advise Board on Special Examination
- Receive reports on and review financial statements of a subsidiary or any entity in which the Corporation has a significant interest
- Review and approve all transactions which have an economic value of five million dollars ($5M) or more (subject to (a) the President and CEO's signing authority and (b) the duties and responsibilities of other Board Committees to review and recommend Board approval of transactions)
- Review and approve, as to financial risks, programming transactions that have an economic value of $10 million or more or commits the Corporation to a period greater than four years (subject to the President's signing authority);
- Receive from the Senior Officer appointed pursuant to the Whistleblower Policy notice of any disclosure of wrongdoing which is considered to be sufficiently serious and material to the Corporation and of the steps taken or underway to deal with the matter
- Review non-audit services provided by internal auditor's firm and consider the impact
- Review Committee Terms of Reference (every 3 years)

Schedule A

Board of Directors

January 19, 2010

Subject matter

Minor revisions to the Audit Committee Terms of Reference

Information on the matter

As a consequence of changes to the Terms of Reference for the Real Estate Committee, a minor modification is proposed to one section of the Audit Committee Terms of Reference to ensure that there is no confusion or overlap of the two mandates. The proposed changes to the Audit Committee Terms of Reference would be to Section E item (iii) and are as follows (the changes are underlined):

> iii) subject to <u>(a)</u> the President and CEO's signing authority <u>and (b) the duties and responsibilities of other Board Committees to review and recommend Board approval of transactions</u>, as delegated by the Board and exceptions thereto, review and approve all transactions which have an economic value of five million dollars ($5M) or more as referred to the Committee by the President and CEO in consultation with the Committee Chair;

There would also be a corresponding change in the Committee's checklist to reflect the new wording.

This change will not affect any other aspect of the Audit Committee's activities, so that regular financial reporting on major projects will continue, as will the process recently adopted to manage project cost over runs. Regular reporting to the Audit Committee on Risk Management will also continue.

For decision	X	**For information**	

Prepared by

Name:	Meg Angevine
Date:	January 18, 2010

Management recommendation

THAT the revised Audit Committee Terms of Reference be approved as amended.

Last discussed at the Board

Date: September 12, 2007
Decision made: n/a

Next steps

Distribute Revised Terms of Reference

SUPPLEMENTARY RESOLUTION

APPROVAL OF LEASE AT TORONTO BROADCAST CENTRE

WHEREAS:

A. The Canadian Broadcasting Corporation (the "Corporation") is the owner of the multi-purpose broadcasting facility and related equipment and infrastructure at 250 Front Street West in Toronto, Ontario (the "Toronto Broadcast Centre");

B. The Corporation has received a non-binding offer to lease ("Offer") from The Walt Disney Company, Canada LTD. (the "Tenant") for approximately 15,716 square feet of rentable space on the B4 level of the Toronto Broadcast Centre (the "Leased Premises"), to permit the Tenant to operate rehearsal studios and administration offices in connection with performances on the Disney cruise ships;

C. The terms and conditions of the Offer are set forth in Exhibit "A" hereto to be more fully set forth in a formal lease to be executed and delivered between the parties (the "Lease");

D. The Offer, once accepted by the Corporation and the Tenant, will be subject to the approval of the Governor in Council, in accordance with the relevant provisions of the *Broadcasting Act*;

E. The Board deems the Lease to be incidental and conducive to the attainment of the objects of the Corporation;

F. Under the *Broadcasting Act*, the Governor in Council will have to authorize the Corporation to enter into the Lease with the Tenant.

IT IS RESOLVED THAT:

1. **(Ratifying the acceptance of the Offer)** The Corporation be and is hereby authorized to ratify the acceptance of the Offer, substantially on the terms and conditions set forth in Exhibit "A", as executed by the Vice President, Real Estate, Legal Services and General Counsel, or her delegate, for and on behalf of the Corporation.

2. **(Approving Lease)** Subject to the Corporation obtaining all necessary approvals of the Governor in Council, the Corporation be and is hereby authorized to rent the Leased Premises to the Tenant.

3. **(Seeking Order in Council)** The Corporation be and is hereby authorized to seek the approval of the Governor in Council pursuant to Section 48(2)(b) of the *Broadcasting Act* to enter into the Lease and retain for its own corporate use the proceeds of the rent.

4. **(Approving Negotiation of Lease)** Subject to the approval by the Governor in Council under Section 48(2)(b) of the *Broadcasting Act*, the Corporation be and is hereby authorized to negotiate and eventually enter into, whether under the corporate seal of the Corporation or otherwise, a Lease in respect of the Leased Premises substantially on the terms and conditions set forth in Exhibit "A" with such changes thereto as either the President and CEO or the Vice President, Real Estate, Legal Services and General Counsel together with the Vice President and Chief Financial Officer, (hereafter the "officers") shall determine and otherwise in form and substance acceptable to such officers of the Corporation, the execution and delivery of any such Lease in accordance with the provisions of this paragraph being conclusive evidence of such determination and acceptance.

5. (**Approving the signing of the Treasury Board Submission**) Either the President and CEO or the Vice President, Real Estate, Legal Services and General Counsel, 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 sign and file the Treasury Board submission to obtain the required Order in Council.

6. (**Approving the signing of the Lease Documents**) Subject always to the forgoing approval, either the President and CEO or the Vice President, Real Estate, Legal Services and General Counsel, together with the Vice President and Chief Financial Officer, or his or her delegate, for and on behalf of the Corporation be and are hereby authorized to sign and execute on behalf of the Corporation the Lease.

7. (**Further authority**) The President and CEO, the Vice President, Real Estate, Legal Services and General Counsel or the Vice President and Chief Financial Officer, 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.

Exhibit "A"

SUMMARY OF OFFER TERMS

Landlord:	Canadian Broadcasting Corporation ("CBC").
Tenant:	The Walt Disney Company, Canada LTD.
Location:	Toronto Broadcast Centre.
Leased Premises:	Total of approximately 15,716 rentable square feet on the B4 Level of the Toronto Broadcast Centre. Occupancy Date: Upon the earlier of the date the Tenant commences the Tenant improvements and August 1, 2010. Lease Commencement Date: Upon the earlier of the execution of the Lease and the Occupancy Date. Rent Commencement Date: Upon the earlier of substantial completion of the Tenant improvements and January 1, 2011.
Use:	Rehearsal studios and administration offices in connection with performances on the Disney cruise ships.
Term:	
Annual Basic Rent:	
Additional Rent:	
Free Rent:	
Utilities:	The Tenant shall pay separately metered utilities from the Occupancy Date.
Landlord's Conditions:	90 days from the execution of the Offer to obtain binding approval by CBC Board of Directors and the Treasury Board of Canada.
Option to Renew:	Tenant may renew the Lease for 2 consecutive 5-year terms with 12 months written notice. Rent during the renewal terms shall be fair market value.
Right to Terminate:	Tenant may cancel the Lease after the fifth year of the term by providing 12 months written notice to CBC.
Right of First Refusal:	The Tenant shall have a right of first refusal on certain spaces adjacent to the Leased Premises.
Security Deposit	None.

s.18(a)

s.18(b)

s.21(1)(c)

Signage:	Tenant shall require signage.
Building Entrance:	By June 1, 2011, CBC will reconfigure John Street access at CBC's sole cost to allow for multi-tenant access.
Restoration:	At the expiry of the Term, the Tenant will not be responsible to remove its Tenant improvements, return the Leased Premises to base building condition or to the original condition that the Leased premises were delivered to the Tenant.
Assignment/ Subletting:	The Tenant may sublease or assign the Leased Premises with Landlord's consent. Tenant shall not be released from the obligations under the Lease.
Additional Provisions:	Use of Disney name prohibited.

* * * * *

Board of Directors

January 19-20, 2010

Subject matter

Real Estate Committee Revised Terms of Reference

Background

In November 2009 the Board approved the Committee membership for all Board Committees. The size of the Real Estate Committee (formerly the Special Committee on Real Estate Projects) was reduced and certain changes to the mandate of this Committee are required to fulfill the Board's current needs.

Information on the matter

A copy of the proposed revision of the Committee's Terms of Reference is attached for the Committee's consideration and recommendation for approval, if appropriate.

For decision	X	**For information**	

Prepared by

Name: Maryse Bertrand Date: January 5, 2010

Management recommendation

That the Committee recommend for approval and the Board approve the revised Terms of Reference as submitted

Last discussed at the Board

Date: June 27, 2008 Decision made: Original Terms of Reference approved by the Board

Next steps

373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Montreal, Quebec – January 19-20, 2010

Tuesday, January 19, 2010

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1. In Camera with President and CEO	16:00			
2. Approval of the minutes of the November 18, 20, 2009 meeting and of the conference call of December 17, 2009	16:30	Timothy Casgrain	YES	YES
3. Matters arising from previous meetings 4. President's Report 5. Chair's Report		 Hubert T. Lacroix Timothy Casgrain		
6. Audit Committee Report 7. Nominating and Governance Committee Report		Peter Charbonneau Peter Herrndorf		
8. Human Resources and Compensation Committee Report • Executive Total Compensation and Incentive Plan Re-Design • Reserve Payment – Horizon Plan • AF of M Mandate		Edna Turpin	 YES YES YES	
9. Strategic Planning Committee Report		Peter Charbonneau		
10. Real Estate Committee Report • Terms of Reference • Disney Transaction • Halifax Project		Rémi Racine	 YES YES	
Adjournment **Wednesday, January 20, 2010** 11. Approval of Corporate Plan **Next meeting –** March 16 –17, 2010 – Ottawa	17:50 08:30	 Michel Tremblay	 YES	 YES
Conclude	12:00			

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) President's Signing Authority Resolution – Maryse Bertrand
e) Update on Recovery Plan – Suzanne Morris

Board of Directors

January 20, 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 January 7, 2010. The approved reference levels for 2010-2011 and beyond are also provided.

Information on the matter

See attached.

For information ☒

Prepared by

Name: Suzanne Morris
Date: January 7, 2010

Management recommendation

Not required.

Last discussed at the Board

Date: November 18, 2009
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		
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Operating Appropriation (Note 1)	789,666	852,821	861,744	862,460	914,197	955,410	955,722	955,731	1,009,121	1,002,668	1,016,429	1,016,429	1,016,429
One-time funding adjustments:													
Transfer from Capital appropriation	13,090			3,636	1,112	9,277	9,277	9,277	9,276	9,276	0	0	0
Transfer to Capital appropriation	(13,298)	(15,170)	(7,459)	(40,921)	(10,538)	(8,456)	(42,676)	(27,344)	(13,622)	(24,274)	(9,233)	(9,941)	(10,704)
Funding for PILT increases	300												
Program Integrity Funding - Asbestos	4,000												
Funding to strengthen & revitalize programs		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
Transfers from Cdn. Heritage (CCOL) (Note 2)		2,500	2,120	2,000	2,000	0	2,000	1,900	2,000				
Reprofiling		(60,000)	20,000	40,000	(20,000)	0			20,000				
Cost increases for 2002 Canada Day			1,027										
Funding for RCI (Note 3)				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)
Expenditure Review Reduction (Budget 2007)									(6,638)	(9,483)	(11,854)	(14,680)	(14,680)
Unavoidable new costs (Note 4)	300	253											
Total Operating Appropriation	794,058	840,404	937,432	932,695	936,771	1,006,231	974,323	989,564	1,070,137	1,017,537	946,342	981,808	991,045
Capital Appropriation	101,809	100,311	97,631	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	(13,090)			(3,636)	(1,112)	(9,277)	(9,277)	(9,277)	(9,276)	(9,276)			
Transfer from Operating appropriation	13,298	15,170	7,459	40,921	10,538	8,456	42,676	27,344	13,622	24,274	9,233	9,941	10,704
Reprofiling of vote from 99/00 to 00/01	25,000												
Reprofiling of vote from 00/01 to 01/02	(23,000)	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	104,017	138,481	105,090	129,616	95,757	87,510	135,730	110,398	96,677	117,929	101,564	102,272	103,035
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	902,075	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	1,050,906	1,088,080	1,098,080
Less Reprofiling Decision (Capital)	**(2,000)**	**(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	900,075	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	1,050,906	1,088,080	1,098,080

Note 1 The operating appropriation includes retroactive and in-year salary funding adjustments up to and including 2010-11.

Note 2 Expected CCOL funding was not transferred from Canadian Heritage in 2005-06.

Note 3 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.

Note 4 Permanent funding adjustments for unaviodable new costs, merit and salary increases are reflected in the base operating appropriation.

Board of Directors
(January 18-19 & 20, 2010)

Subject matter

Labour Relations Update

Background

This is a standing item on the Board of Directors' agenda which provides the status of CBC'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: January 5, 2010

Management recommendation

Not applicable

Last discussed at the Board

Date: **November 18 and 20, 2009**

Decision made:

Next steps

Industrial Relations Update for the Board of Directors' Meeting
January 18-19 & 20, 2010

AGREEMENTS PRESENTLY BEING NEGOTIATED

SYNDICAT	Effective Date	# of Members	Central Issues
FRENCH FILE			
SCRC (Syndicat des communications de Radio-Canada) **s.18(b)** **s.21(1)(c)**	**Mar. 27, 2006– Mar. 29, 2009**	**approx 1,390**	After 38 days of bargaining, the parties reached an agreement that was ratified by 88% of union members at the general assembly. The implementation of the agreement, to be in effect until September 30, 2012, will continue over the next few weeks. The official signature will take place in mid-November. **The parties signed the new collective agreement on December 10, 2009.**
UDA (Union des artistes)	**Nov. 14, 2005 – Nov. 13, 2009**	**N/A**	Although the collective agreement between the Corporation and UDA does not expire until November 2009, negotiations are currently underway between the two parties on
ENGLISH FILE			
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.

ENGLISH FILE			
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United Sates and Canada) (Stagehands)	**No agreement since 1994**	**3**	
NATIONAL FILE			
AFM (The Amercian Federation of Musicians of the United States and Canada)	**April 1, 2006 – March 31, 2010**	**N/A**	

s.18(b)

s.21(1)(c)

NEGOCIATED 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	646
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	5,141
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	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 1, 2009 – March 31, 2012	1,335
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	380
SCFP	Canadian Union of Public Employees	October 1, 2007 – September 26, 2010	662

Board of Directors
(January 18-19 & 20, 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: January 5, 2010

Management recommendation

Not applicable

Last discussed at the Board

Date: **November 18 and 20, 2009**

Decision made:

Next steps

Conseil d'administration
(les 18, 19 et 20 janvier 2010)

Sujet

Information sur la main-d'oeuvre

Contexte

Les documents en annexe présentent la main-d'œuvre 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 5 janvier 2010

Recommandation de la direction

Sans objet.

Dernière discussion au Conseil

Date:

Décision prise:

Prochaines étapes

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

Month / Mois : November / novembre 2009
(Dec 6, 2009 / Le 6 décembre 2009)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL *	TOTAL Begin. FYR 2009/10 Début de l'exercice 2009/10 **	Variance Écart
English Services/ Services anglais	3 232	95	331	374	4 031	4 224	-193
French Services/ Services français	2 806	259	386	569	4 021	4 443	-422
Corporate/ National	975	44	158	13	1 190	1 263	-73
TOTAL	**7 013**	**398**	**875**	**956**	**9 242** *	**9 930** **	**-688**

* 9,242 FTE/EPT = 10,067 head count / effectifs réels.
** March 29, 2009: 9,930 FTE/EPT = 10,722 head count / effectifs réels.

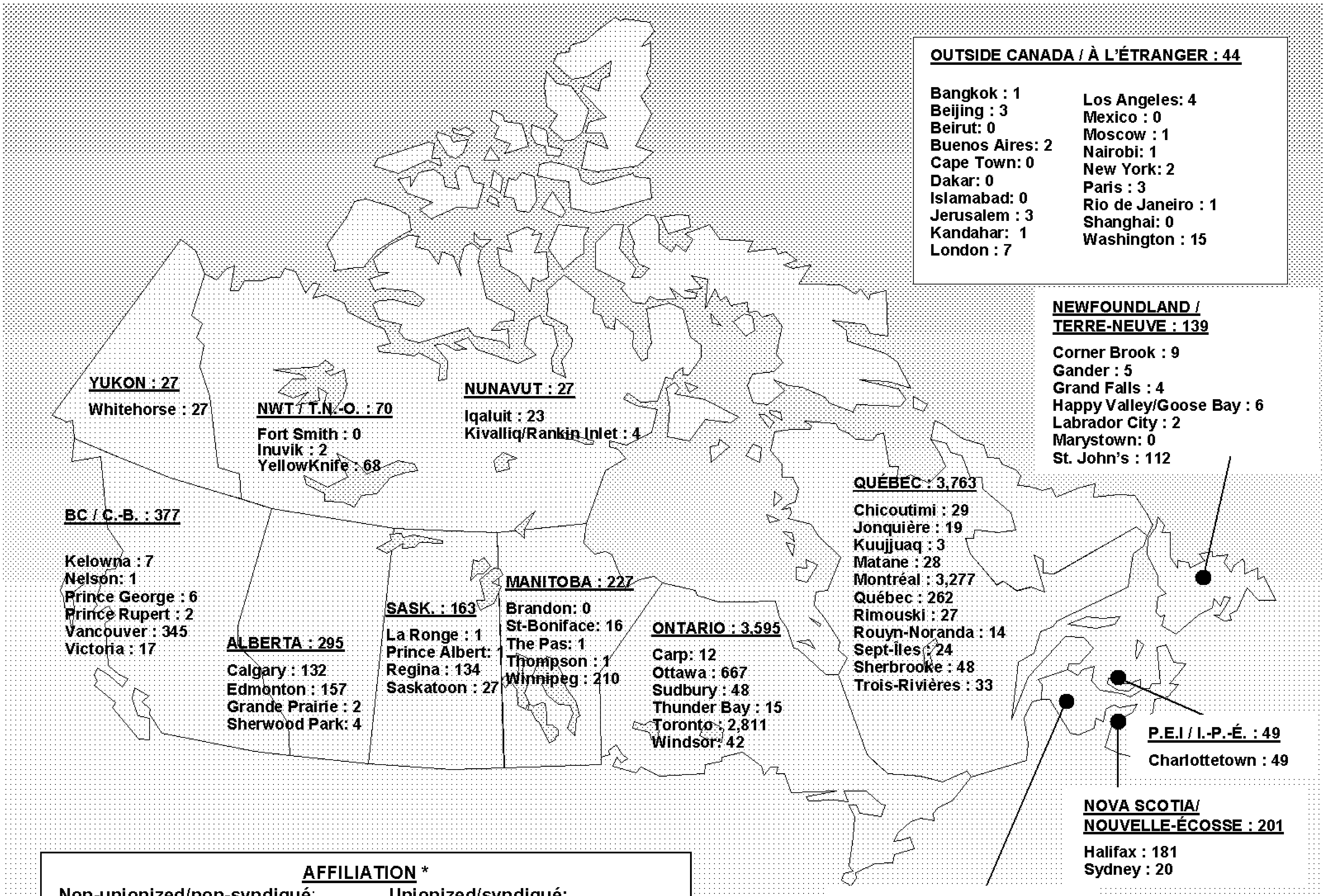
Notes:
(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.
(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /
L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.
(d) 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.

CBC/Radio-Canada Map / Carte

Full Time Equivalent / Équivalent temps plein

November 2009 / novembre 2009



NEW BRUNSWICK / NOUVEAU-BRUNSWICK : 267
Bathurst : 3
Campbellton : 1
Caraquet : 2
Edmunston : 2
Fredericton : 48
Moncton : 181
Sackville : 12
Saint John : 18

AFFILIATION *

Non-unionized/non-syndiqué:		Unionized/syndiqué:	
Unaffiliated:	27	APS:	676
Executives:	56	CMG:	4077
MS:	1030	SCRC:	1279
Confidential:	175	STARF:	1056
SUBTOTAL:	1,287 (14%)	SCFP:	540
		AR:	326
		SUBTOTAL	7,955 (86%)
GRAND TOTAL:	9,242		

Total FTE/ETP 9,242 = Head count / effectifs réels 10,067

* 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

Schedule A

Board of Directors

January 19-20, 2010

Subject matter

President and CEO's Signing Resolution

Background

In September 2009 the Board approved the attached signing authority.

Information on the matter

At the request of Board members, a copy of the President and CEO's signing resolution is included for reference with the Board materials for each meeting.

For decision	☐	**For information**	X

Prepared by

Name: Maryse Bertrand Date: January 4, 2010

Management recommendation

Last discussed at the Board

Date: Decision made:

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets and in accordance with the provisions of the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation in respect of:

1. *(acquisition or disposition of real property)* any matters which have a financial value* or consideration to the Corporation of up to $4 million, when covered by Section 48(2) of the Broadcasting Act;

2. *(leasing of real property)* any matters which have a financial value* or consideration to the Corporation of up to $15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 dated September 24, 2002;

3. *(programming)* any matter relating to:
   a) the acquisition, production co-production, distribution or financing of programs that commits the Corporation's programming schedule for a period of 4 years or less, or
   b) any media placement by the Corporation that commits the Corporation for a period of 4 years or less

   and has a financial value* or consideration to the Corporation of up to $10 million;

4. *(revenue generating)* without limitations to its financial value or consideration for any advertising agreement or any other matter where the main objective is to generate revenues provided that it commits the Corporation for a period of 4 years or less and does not require the corporation to invest more than $15 million;

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

5. *(Investments)* any matters related to investments made pursuant to Corporate Policy 2.3.29 Management of Investments which have a financial value of up to $100 million:

6. *(general)* any other matters which have a financial value* or consideration to the Corporation of up to $5 million, save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 or Section 46.1 of the *Broadcasting Act*.

For greater certainty, the above authority does not include the authority to:

a) agree to or enter into new business ventures on behalf of the Corporation

b) discontinue or cease the operations of a division or business unit; or

c) dispose of a significant portion of the assets of a division or business unit.

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the Corporation to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Corporation in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

* Financial value includes the value of any option as if exercised.

Board of Directors
January 19, 2010

Subject matter

Recovery Plan - Update

Background

The Board of Directors approved the 2009-2010 Business Plans and Operating and Capital budgets at the March 20, 2009 meeting.

Information on the matter

The attached presentation provides the Board of Directors with an update on the status of the Recovery Plan implementation.

For decision **For information X**

Prepared by

Name: S.Morris
Date: January 7, 2010

Management recommendation

N/A

Last discussed at the Board

Date: November 19-20, 2009
Decision made: N/A

Next steps

Keep Board of Directors informed on progress.

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Recovery Plan - Update

Board of Directors
January 19-20, 2010

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372nd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
TORONTO, ONTARIO
November 18 - 20, 2009

Mr. Timothy W. Casgrain (for November 20, 2009 only)	Chair
Mr. Hubert T. Lacroix (for November 20, 2009 only)	President and CEO
Ms. Linda Black	
Mr. Peter Charbonneau	
Mr. George Cooper	
Mr. Peter Herrndorf	
Ms. Patricia McIver	
Ms. Trina McQueen	
Mr. Brian Mitchell	
Mr. Rémi Racine	
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.

372nd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
TORONTO, ONTARIO
NOVEMBER 18 – 20, 2009

Mr. George Cooper served as Acting Chair for the portion of the meeting held on November 18, 2009.

The Acting Chair called the meeting to order at 1:30 p.m.

NEXT GENERATION CONVERGED NETWORK

Mr. George Smith, Senior Vice-President, Corporate Priorities and Implementation, Mr. Dany Harrison, General Manager, Technical Production, Radio-Canada, and Mr. John Lee, Director, Broadcast and Telecom Networks, CBC Technology, joined the meeting.

Mr. Smith introduced the presentation, noting that it was offered to inform the Board about the efforts underway to modernize CBC/Radio-Canada's network infrastructure, with a view to returning to the Board in January with a specific recommendation to proceed with this initiative.

Written materials were distributed in advance covering the following topics:

Next Generation Converged Network (NGCN) Overview
The broadcasting process and networks
NGCN Project – detailed information
Financial information
Conclusion

Dany Harrison described the media business environment and outlined the mandate of the NGCN project. John Lee then reported on the current status of the NGCN Project, referencing the key drivers and the opportunities presented. He also reviewed the approaches taken by other Canadian broadcasters, before setting out in detail the interdependencies between other projects within CBC/Radio-Canada and the NGCN Project.

Mr. Harrison and Mr. Lee canvassed the project risks, project governance, project milestones, and related financial information, and outlined the relationship between the NGCN Project and the broadcasting process. Lastly, they reviewed the factors supporting the NGCN initiative in the context of the industry transition from analog to digital transmission, and the Corporation's goals vis-à-vis content sharing and platform integration.

During the presentation, management responded to questions and comments from Directors on: (i) the timeline for the project; (ii) the contracting parties; (iii) the differences between the English and French networks relevant to this project; (iv) the impact from both cost savings and efficiency standpoints; (v) the adequacy of current local architecture (in LAN's) to proceed with the project; (vi) the response level to the RFI; (vii) the solution options under consideration; and (viii) the differences between this project and the Vision project.

The Acting Chair thanked Mr. Smith, Mr. Harrison, and Mr. Lee for their presentation.

Mr. Smith, Mr. Harrison, and Mr. Lee withdrew from the meeting

REVISED CALENDAR OF MEETINGS 2010

Ms. Maryse Bertrand referred to the material circulated in advance and outlined the proposed change to the Calendar of Meetings for 2010 with respect to the January meeting. In addition, in response to a strong preference expressed by a number of Directors to hold at least one meeting per year in a location outside the Montreal-Toronto-Ottawa triangle, it was proposed that the September 2010 meeting be held in Edmonton. After discussion, the Board accepted both proposed changes.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** the revised calendar of meetings for 2010 be approved as circulated with one further change to the location of the September 2010 meeting (from Ottawa to Edmonton).

MOTION CARRIED

AUDIT COMMITTEE REPORT

Mr. Peter Charbonneau, Chair of the Committee, presented the report. He noted that in addition to the items comprising the consent agenda, the Committee considered the following matters.

CFO Report

Suzanne Morris presented her report to the Committee highlighting the following: (i) highlights of operating results as at September 30, 2009; (ii) status update on key 2009-2010 Finance priorities; (iii) recent economic highlights; (iv) new requirement for quarterly financial reporting by Crown Corporations; (v) funding issues; (vi) the 2009 Strategic Review and (vii) pension plan legislative developments.

Pension Reform Legislative Update

The Committee was briefed on the recent federal pension reform proposals. The update focused on two key aspects of the proposed reform, namely: (i) the measures designed for the protection of plan members; and (ii) those aimed at reducing funding volatility; and their impact on the CBC/Radio-Canada Pension Plan.

Appointments to Pension Board of Trustees
These appointments are made each year in November, acting upon recommendations received from (i) the Consultative Committee on Staff Benefits for the two employee representatives and (ii) the Pensioners' Association for the pensioner representative. The Audit Committee recommended their 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 Audit Committee the Board of Directors hereby approves the following appointments to the Pension Board of Trustees: (i) Claude Godin and Paul Gaffney for the period January 1, 2010 to and including December 31, 2010 or until the nomination of a successor; (ii) Jon Soper for the period January 1, 2010 to and including March 31, 2010; and Robert Fisher for the period April 1, 2010 to and including December 31, 2010 or until the nomination of a successor.

s.19(1)

MOTION CARRIED

abstained from voting on this motion.

Access to Pension Plan for Permanent Part-time Employees
The Committee considered a proposal to amend the provisions of the CBC/Radio-Canada Pension Plan to eliminate the waiting period for permanent part-time employees of the Corporation. Management outlined the rationale for bringing forward the proposal, adding that the cost to the Corporation is estimated at this year and annually thereafter, depending upon the number of new hires. After discussion, the Committee recommended approval of the proposal by the Board. The Board accepted the Committee's recommendation.

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

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee, the Board of Directors hereby approves the amendment of Schedule B of the By-laws of the Canadian Broadcasting Corporation by adding Section 4(cd) and by modifying Section 4(b), 4(c) and 4(h) of Part II as presented in the document, a copy of which shall remain filed with the original of these minutes as Exhibit A.

abstained from voting on this motion.

Update on Vancouver Project
Maryse Bertrand provided an update to the Committee on the Vancouver Project, reviewing the progress to date, details of the work remaining and the status of the budget. Ms. Bertrand also presented an overview of the issues that faced this project from its inception, including the significant retrofit aspects of the project, the complexities involved relating to maintaining business operations throughout, the exceptionally high rate of inflation, the relationship with the other key participant, and the overall deal structure. She advised that the project is close to completion, with the final result one that is highly satisfactory from both timing and functional perspectives.

Quarterly Internal Audit Report (2nd Quarter)
The Committee received the report from Internal Audit covering the audits completed during the quarter, including the audit of the Vancouver Project. The report commented on the factors affecting the Vancouver Project and concluded that two of the three objectives (cost/quality/time) were achieved. The report made five audit recommendations and management commented on each of them.

French Services Projects
The Committee reviewed the specifics of two capital projects for French Services and recommended the Board approve them. These projects correspond to similar projects for English Services that were approved by the Board in May 2009. The Board adopted the Committee's recommendation. **s.18(a)**

s.18(b)

HD – Master Control Upgrade
On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee, the Board of Directors hereby approves the HD Master Control Upgrade Project at an approximate cost of n 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 1.

MOTION CARRIED

French Radio Central Presentation and Satellite Distribution Project
On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee, the Board of Directors hereby approves the FRN Central Presentation and Satellite Distribution Project at an approximate cost of 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

IFRS Conversion Project Update and Accounting Policy Recommendations
The Committee was briefed on the current status of the IFRS Conversion Project. Management also presented a series of IFRS accounting policy and IFRS accounting disclosure proposed decisions for the Committee's consideration. After a thorough discussion, the Committee recommended the Board approve the decisions as proposed. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Audit Committee, the Board of Directors hereby approves the following three decisions with respect to IFRS accounting policy and seven decisions with respect to IFRS accounting disclosure for the Corporation:

Accounting Policy:

1. Investment Property
   All investment property on the cost basis
2. Inventories
   Programming and broadcast rights on an individual basis
   All other inventory on the average cost basis
3. Consolidation – IFRS 1 Election for Subsidiaries with Different Year-ends
   CBC/Radio-Canada's (the Parent's) year-end will be used

Accounting Disclosure:

1. Cash Flow Statement
   i. Net cash flow from operating activities determined by adjusting net profit as opposed to revenue and expenses.
   ii. Interest and dividends received to be shown as an investing cash flow as opposed to an operating cash flow.
   iii. Interest paid to be shown as a financing cash flow instead of an operating cash flow

2. Notes
   i. Tax – Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax.
   ii. Grant income – Deferred capital funding will be disclosed gross from the capital asset to which it was provided.
   iii. Grant income – Income funding will be disclosed as a credit to the income statement.
   iv. The financial report will be reported in Canadian Dollars.

MOTION CARRIED

Other Reports and Presentations
In addition, the Committee received the following reports/presentations: (i) Update on Risk Management; (ii) Vision Project Update; (iii) Annual Attest Audit Plan 2009-2010; (iv) Quarterly Financial Management Report (2nd Quarter); and (v) presentation on Leveraging our Assets

The Acting Chair thanked Mr. Charbonneau for his report.

ADJOURNMENT

The meeting adjourned at 3:00 p.m. on November 18, 2009.

The meeting resumed at 8:00 a.m. on November 20, 2009.

IN CAMERA WITH 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 Board of Directors meeting held on September 21-22, 2009, and of the conference calls of September 29, 2009 and October 15, 2009 be and are hereby approved as circulated.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters to report.

CHAIR'S REPORT

Mr. Casgrain provided a report on his activities since the September Board meeting, referencing a number of meetings and other events comprising his schedule. He added that his primary focus during the period had been the Board evaluation process, especially his one-on-one meetings with Board members.

PRESIDENT'S REPORT

In addition to the matters regarding his activities since the September Board meeting that were reported during the in camera portion of the meeting, the President and CEO reported on the 2009 Challenge Us initiative, held near Montreal in early November, which focused on the themes of public value, social networking and creating better and stronger connections with Canadians.

STRATEGIC PLANNING PROCESS - 2009

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

Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships, joined the meeting.

The Chair thanked Mr. Tremblay for his presentation.

Mr. Tremblay withdrew from the meeting.

UPDATE ON STAKEHOLDER OUTREACH

Bill Chambers, Vice-President, Branding, Communications and Corporate Affairs, joined the meeting. Board members provided comments on their experiences with the stakeholder outreach initiative and a discussion followed on the process, its goals, and next steps.

Mr. Chambers withdrew from the meeting.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Mr. Peter Herrndorf, Chair of the Committee, presented the report.

Board Evaluation Report
The Chair of the Board presented the Board Evaluation Report to the Committee, a copy of which was circulated to all Directors shortly before the meeting.

The President and CEO attended the Committee meeting to provide his perspective on the report and to outline certain steps taken in response to some of the recommendations. The Committee discussed the report and expressed its support for the recommendations. The Committee concluded that the recommendations should be brought forward to the entire Board for consideration and approval, if appropriate. During the Board's discussion of the report, the Chair and the President and CEO responded to questions about the conduct of exit interviews, the alignment of corporate performance metrics with individual performance evaluation, and governance programs offered by the Institute of Corporate Directors. The Board adopted the recommendations in the Report.

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 recommendations contained in the Board Evaluation Report.

MOTION CARRIED

Committee Appointments
The Chair of the Board presented the list of proposed Committee appointments to the Committee, which recommended its approval. A copy of the list was distributed to all Directors at the Board meeting. The Board accepted the recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Chair of the Board and the Nominating and Governance Committee, the Board of Directors hereby approves the Committee appointments as presented, effective immediately, to serve until the next annual meeting of the Corporation (June 2010) or until replacements are appointed. A copy of the document setting out the details of the Committee appointments shall remain filed with the original of these Minutes as Exhibit 1.

MOTION CARRIED

Post Mortem - Annual Public Meeting
A written document was circulated to the Committee in advance of the meeting, setting out a series of recommendations for the 2010 annual public meeting. Bill Chambers provided a review of the conduct of the first annual public meeting of the Corporation and offered some statistics on aspects of the meeting. He also reviewed the recommendations submitted by management for the Committee's consideration regarding future meetings. The key elements emphasized in the ensuing discussion were:

- The primary purpose of the meeting is accountability

- The primary vehicle should be a webcast
- The meeting should originate from Ottawa with targeted invitations to stakeholders
- The start time for the meeting should be around 4 p.m.
-
- The meeting should be hosted by a senior journalist (bilingual)
-
-

s.21(1)(a)

s.21(1)(b)

Both the Committee and the Board endorsed the approach as outlined.

Board Succession

The Committee considered a recommendation for a new skill category – Stakeholder Relations – to be added to the Director Skills Matrix and approved the change. Management will canvass each Board member to complete this new section of the Director Skills Matrix.

The Board concurred with the Committee's view. The Chair of the Board confirmed that he would write to the Minister to communicate these priorities.

Board Membership - Institute of Corporate Directors

The Committee was advised that the Institute of Corporate Directors (ICD) has a Board membership category that permits a corporation (including a Crown Corporation) to pay a single fee to confer membership status on the entire Board of Directors. In the case of CBC/Radio-Canada, the fee would be er year for up to 15 members, including the CEO, CFO and Corporate Secretary. This membership would entitle each Board member to participate in ICD programs at the reduced fees payable by members. The Committee expressed the view that this membership would offer significant benefits to the Board and recommended that CBC/Radio-Canada obtain Board membership in the ICD. The Board accepted the recommendation.

s.18(a)

s.18(b)

s.21(1)(a)

s.21(1)(b)

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 CBC/Radio-Canada obtain Board membership in the Institute of Corporate Directors (ICD).

MOTION CARRIED

The Chair thanked Mr. Herrndorf for his report.

Mr. Cooper left the meeting.

HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT

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

Update on H1N1 Virus Pandemic Plan
The Committee received a brief update on the Corporation's pandemic plan and the H1N1 situation, which is unfolding satisfactorily.

Industrial Relations Update
Management presented a brief status report on industrial relations matters to the Committee. Among the matters referenced were the ratification of the SCRC collective agreement by 88% of the membership present and voting and the next planned collective agreement negotiation in September 2010.

Succession Plan
Management presented an overview of the SET succession plan process for 2010 to the Committee, setting out the key drivers and various elements of the plan, and the timetable for the process.

Departure Policy 2.2.12 and Compensation Policy 2.2.04
The Committee considered proposed changes with respect to these policies, the effective date for the changes, and recommended their approval by the Board. The Board accepted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** the on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the abolition of Human Resources Policy 2.2.12 entitled Departure, effective December 31, 2009 and the revision to Policy 2.2.04 entitled Compensation, effective January 1, 2010.

MOTION CARRIED

Prevention of Violence in the Workplace Policy and Anti-Discrimination and Harassment Policy
Management presented the proposed new policy on Prevention of Violence in the Workplace and the replacement policy on Anti-Discrimination and Harassment to the Committee, outlining the underlying rationale, context and effective date for the changes. After consideration, the Committee recommended that the Board approve the policies. 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 (i) the Violence Prevention in the Workplace Policy, effective February 1, 2010; (ii) the abolition of Human Resources Policy 2.2.15 entitled Harassment, effective January 31, 2010; and (iii) the replacement policy 2.2.15 entitled Anti-Discrimination and Harassment, effective February 1, 2010.

MOTION CARRIED

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

The Chair thanked Ms. Turpin for her report.

RECOGNITION OF VICE-PRESIDENT AND CHIEF TECHNOLOGY OFFICER – RAY CARNOVALE

The Chair of the Board noted that this was Ray Carnovale's last Board meeting, adding that the Board wished to recognise Mr. Carnovale's service and acknowledge both his contribution as Vice-President and Chief Technology Officer and his commitment to the Corporation.

On a motion duly moved and seconded,

> **WHEREAS** Ray Carnovale has served as a dedicated member of the Senior Executive Team of CBC/Radio-Canada since July 2001,
>
> **AND WHEREAS** Ray Carnovale has provided able and committed leadership in the deployment of robust information technology and broadcasting systems to support CBC/Radio-Canada's broadcasting activities and its corporate support functions,

AND WHEREAS Ray Carnovale has distinguished himself by his significant personal and professional contribution to the success and well-being of the public broadcaster and, in particular, by his significant investment of time and energy in leading the Capital Planning Round Table,

AND WHEREAS the Board of Directors wishes to recognize Ray Carnovale for his achievements, for his commitment to the Corporation, and for his leadership, as Vice-President and Chief Technology Officer,

IT IS RESOLVED THAT the Board of Directors expresses its appreciation and admiration to Ray Carnovale for his dedication and contribution to CBC/Radio-Canada, its mission and its mandate.

MOTION CARRIED

IN CAMERA

The Board met in camera without the President and CEO. No matters were reported to the Corporate Secretary for inclusion in the minutes.

CONCLUDE

Having no further business to discuss, the meeting concluded at 12:00 noon.

APPENDIX 1

HD - MASTER CONTROL UPGRADE

WHEREAS:

A. the CRTC has mandated August 31, 2011 as the date by which NTSC transmission in Canada must cease and broadcasters must adopt the ATSC standard for high definition ("HD") transmission;

B. the Corporation must produce HD signals to feed both its transmission footprint as well as the BDU community; and

C. the Corporation must upgrade its Master Control system infrastructure to meet the increased demands imposed by the transition to the HD environment and to provide some additional capacity for future growth (the "HD - Master Control Upgrade Project").

s.18(a)

IT IS RESOLVED THAT the Corporation be and it is hereby authorized to proceed with the HD Master Control Upgrade Project for an approximate cost of over three fiscal years to purchase equipment and upgrade its infrastructure to provide the capability for additional HD program streams.

AND THAT the Executive Vice President, French Services, or the Vice President, Chief Financial Officer or their respective delegates (the "Officers"), 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, and the taking by the Officers of any such action, the doing by the Officers of any such thing, the execution by the Officers of any such instrument or document or the delivery by the Officers of any such instrument, document or material shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

s.18(a)

FRENCH RADIO CENTRAL PRESENTATION AND SATELLITE DISTRIBUTION PROJECT

WHEREAS:

D. the current French radio network ("FRN") distribution system's inherent design is more than 50 years old and is not well suited to supporting CBC/Radio Canada's migration to a content company;

E. the terrestrial contracts with the common carriers which provide distribution will expire in May 2011 and contract renewal will carry increased operation costs since the carriers are generally exiting the broadcast business in favour of more lucrative value-added offerings (generally IP based);

F. both the English Radio Network ("ERN") and the French radio network ("FRN") will be upgrading their infrastructure and migrating to central presentation and satellite distribution, (the corresponding ERN project was approved by the Board in May 2009); and

G. the FRN Central Presentation Project will leverage the Next Generation Converged Network (NGCN) for sharing of audio and video content which will allow presentation and automation capabilities to be removed from all Regional locations such that regionally produced programming will be 'back-hauled' to the network centre in Montreal via the NGCN and distributed to transmitter via satellite;

IT IS RESOLVED THAT the Corporation be and it is hereby authorized to proceed with the FRN Central Presentation and Satellite Distribution Project for an approximate cost of [redacted] over three fiscal years to purchase equipment and upgrade its French radio network infrastructure to provide central presentation and satellite distribution.

AND THAT the Executive Vice President, French Services, or the Vice President, Chief Financial Officer or their respective delegates (the "Officers"), 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, and the taking by the Officers of any such action, the doing by the Officers of any such thing, the execution by the Officers of any such instrument or document or the delivery by the Officers of any such instrument, document or material shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

Board of Directors

January 18-20, 2010

Subject matter

CBC/Radio-Canada's Corporate Plan 2010-2011 to 2014-2015

Background

CBC/Radio-Canada must, under section 54 of the Broadcasting Act, file a Corporate Plan with the Minister of Canadian Heritage to lay out the priorities of the Corporation for the next five years. While the Corporate Plan, including its various appendices, is subject to a limited distribution within Government, a summary of the Plan, which is a public document, is later tabled in the House of Commons.

s.18(a)

s.18(b)

Information on the matter

Corporate Plan is attached.

For decision ■ **For information** ☐

Prepared by

Name: Michel Tremblay/Research & Strategic Analysis, Media, Finance
Date: January 13, 2010

Management recommendation

Approval of Plan

Last discussed at the Board

Date: January 19, 2009
Decision made: Approval of CBC|Radio-Canada's Corprate Plan 2009-2010 to 2013-2014

Next steps

Anticipated project completion date: ________________

Annexe A

s.18(a)

s.18(b)

Conseil d'administration

Les 18-19 et 20 janvier 2010

Sujet

Plan d'entreprise de CBC/Radio-Canada 2010-2011 à 2014-2015

Contexte

CBC/Radio-Canada doit, tel qu'indiqué dans la section 54 de La Loi sur la radiodiffusion, présenter un Plan d'entreprise au Ministre du Patrimoine canadien afin d'identifier les priorités de la Société pour les cinq prochaines années. Bien que le Plan d'entreprise, y compris ses diverses annexes, soit sujet à une distribution limitée au sein du gouvernement, un sommaire du Plan est déposé ultérieurement à la Chambre des communes et devient ainsi un document public.

Renseignements connexes

Un copie du Plan d'entreprise est anexée.

Décision à prendre ■ **À titre d'information** ☐

Préparé par

Nom : Michel Tremblay/Recherche et analyse stratégique, Médias, Finances
Date : 13 janvier 2010

Recommandation de la direction

Approbation du Plan d'entreprise

Dernière discussion au Conseil

Date : 19 janvier 2009
Décision prise : Approbation du Plan d'entreprise pour 2009-2010 à 2013-2014

Suivi

Date de prévue de la complétion du projet :

s.18(a)

s.18(b)

Pages 63 to / à 101

are withheld pursuant to sections

sont retenues en vertu des articles

18(a), 18(b)

of the Access to Information Act

de la Loi de l’accès à l’information

376th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – June 22 – 23, 2010

Tuesday, June 22, 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 May 11-12, 2010 meeting 3. Matters arising from previous meetings 4. President's Report	10:00	Hubert T. Lacroix Hubert T. Lacroix	YES	YES
5. Strategic Planning Committee Report		Peter Charbonneau		YES (To follow)
Adjournment	18:00			
Wednesday, June 23, 2010				
6. Audit Committee Report a. Approval of the Financial Statements Approval of Management Discussion & Analysis section of Annual Report b. Calendar of meetings/Audit Committee Terms of Reference c. Capital Project – Relocation and Sale of Calgary CBR A.M. Site	09:00	Peter Charbonneau	 YES YES YES	 YES (To follow) YES YES
7. Strategic Planning Committee Report follow-up				
LUNCH – Update on News		Richard Stursberg Sylvain Lafrance		
8. Human Resources and Compensation Committee Report a. SCFP Negotiation Mandate b. Key Executive Long Term Incentive Program		Rémi Racine	 YES YES	
9. Health, Safety and Environmental Report		Katya Laviolette		YES
10. Nominating and Governance Committee Report a. President and CEO's Objectives b. Committee membership c. Calendar of meetings		Edna Turpin	 YES YES YES	 YES
Next meeting – September 21 - 22, 2010 Edmonton, Alberta				
Conclude	15:00			

376th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – June 22 – 23, 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) President and CEO's Signing Authority – Maryse Bertrand
e) 2009-2010 Quarterly Management Financial Report – 4th Quarter – Suzanne Morris
f) Report on the Administration of the *Access to Information Act* – Maryse Bertrand
g) Report on the Administration of the *Privacy Act* - Maryse Bertrand
h) Risk Management Update – Suzanne Morris

Board of Directors

June 10, 2010

Subject matter

Syndicat canadien de la fonction publique (SCFP) bargaining mandate

Background

The CBC/SCFP collective agreement expires on September 26, 2010, and the parties now have to renew its terms. Over the course of these negotiations, the CBC would like to clarify and amend certain aspects of the agreement

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

Information on the matter

-
- Term: 3 years

For decision:	X	**For information:**	

Prepared by

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

Date: May 25, 2010

Recommendation

Proceed with renewal as stated above.

Last discussed at the Board

Date: N/A

Decision made:

Next steps

Set negotiation dates.

Resolution

BE IT RESOLVED THAT the Human Resources and Compensation Committee recommends for approval to the Board of Directors a mandate for management to renegotiate the renewal of the collective agreement between Radio-Canada and the SCFP, as outlined in the attached document.

Syndicat canadien de la fonction publique (SCFP)

SCFP Local 675 is the bargaining agent for all administration and administrative support staff.

The previous agreement was for a three-year term.

CBC/SCFP Relations

Industrial relations between the CBC and SCFP Local 675 are generally good, and ongoing communication allows most issues and misunderstandings to be resolved. Although some grievances have been filed, almost none of them go to arbitration.

Core Issues

Conclusion

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

Schedule A

Board of Directors

June 22-23, 2010

Subject matter

ANNUAL REPORT OF CBC/RADIO-CANADA **RE THE ADMINISTRATION OF THE PRIVACY ACT**

Background

The *Privacy Act* provides that an annual report be prepared and submitted to Parliament by the Corporation with respect to the administration of the Privacy Act within CBC/Radio-Canada. This is the second report since CBC/Radio-Canada became subject to the legislation on September 1, 2007 and covers the period: April 1, 2009- March 31, 2010.

Information on the matter

A copy of the report is appended.

For decision	☐	**For information**	X

Prepared by

Name:	Maryse Bertrand
Date:	June 10, 2010

Management recommendation

Last discussed at the Board

Date: September 2009 Decision made: N/A

Next steps

Submit report to the Minister of Canadian Heritage for tabling in Parliament as required by the legislation

Schedule A

Board of Directors

June 22-23, 2010

Subject matter

ANNUAL REPORT OF CBC/RADIO-CANADA RE THE ADMINISTRATION OF THE ACCESS TO INFORMATION ACT

Background

The *Access to Information Act* provides that an annual report be prepared and submitted to Parliament by the Corporation with respect to the administration of the Access to Information Act within CBC/Radio-Canada. This is the second report since CBC/Radio-Canada became subject to the legislation on September 1, 2007 and covers the period: April 1, 2009- March 31, 2010.

Information on the matter

A copy of the report is appended.

For decision ☐ **For information** ☒ X

Prepared by

Name: Maryse Bertrand Date: June 10, 2010

Management recommendation

Last discussed at the Board

Date: September 2009 Decision made: N/A

Next steps

Submit report to the Minister of Canadian Heritage for tabling in Parliament as required by the legislation

Annexe A

Comité des nominations et de la gouvernance

Le 22 juin 2010

Sujet

Objectifs du président-directeur général

Contexte

Ce point a été soulevé au cours d'une discussion à la réunion du Conseil d'administration de mai 2010 au sujet des objectifs du président-directeur général, et est porté à l'attention du Comité des nominations et de la gouvernance.

Renseignements sur le sujet

Voir la note de service en annexe.

Pour décision [X] **Pour information** [ ]

Préparé par

Nom : Maryse Bertrand
Date : 4 juin 2010

Recommandation de la direction

QUE l'on recommande que les quatre éléments soient approuvés dans la forme présentée.

Dernière discussion au Conseil

Date : Mai 2010
Décision prise : Les objectifs du président-directeur général pour l'exercice 2010-2011 ont été approuvés.

Prochaines étapes

Pages 109 to / à 110

are withheld pursuant to section

sont retenues en vertu de l'article

21(1)(a)

of the Access to Information Act

de la Loi de l’accès à l’information

Board of Directors

June 22, 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 May 27, 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:	May 27, 2010

Management recommendation

Not required.

Last discussed at the Board

Date:	May 11, 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 (Note 2)	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 3)			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 The $60 million in funding received each year since 2001/02 has not been confirmed beyond 2010/11. This funding is typically confirmed through the federal Budget process.

Note 3 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
June 22 & 23, 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:	May 26, 2010

Recommendation

Not applicable

Last discussed at the Board

Date:	**May 11 & 12, 2010**
Decision made:	

Next steps

Industrial Relations Update for the Board of Directors' Meeting
June 22 & 23, 2010

AGREEMENTS PRESENTLY BEING NEGOTIATED

UNION	Effective Date	# of Members	Central Issues
FRENCH FILE			
UDA (Union des artistes) **s.18(b)** **s.21(1)(c)**	**Nov. 14, 2005 – Nov. 13, 2009**	**N/A**	Notice to bargain was received on February 15, 2010.
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 expires on July 9, 2010. **A first preliminary meeting will occur before the end of June. Formal negotiations are set to begin at the end of August**
ENGLISH FILE			
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.
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United Sates and Canada) (Stagehands)	**No agreement since 1994**	**3**	

UNION	Effective Date	# of Members	Central Issues
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 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. **Negotiations are underway, with the parties having had a number of meetings. There is bargaining hiatus during the month of June.**
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	**July 1, 2005 – June 30, 2010** **s.18(b)** **s.21(1)(c)**	**N/A**	CBC has received notice to bargain from ACTRA. The Agreement(s) will expire June 30, 2010. **Mandate was approved at the last Board meeting. Dates for bargaining are being determined.**

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	646
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	5,141
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	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 1, 2009 – March 31, 2012	1,335
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	380
SCFP	Syndicat canadien de la fonction publique	October 1, 2007 – September 26, 2010	662

Board of Directors

June 22-23, 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: May 21, 2010

Recommendation

Not applicable

Last discussed at the Board

Date: **May 11-12, 2010**

Decision made:

Next steps

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 21 mai 2010

Recommandation

Sans objet.

Dernière discussion au Conseil

Date:	**Les 11 et 12 mai 2010**
Décision prise:	

Prochaines étapes

TOTAL WORKFORCE / EFFECTIF TOTAL

Full Time Equivalent / Équivalent temps plein

Month / Mois : April / avril 2010

(April 25, 2010 / Le 25 avril 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	3 291	89	323	396	4 098	4 212	-115
French Services/ Services français	2 934	292	403	627	4 257	4 246	11
Corporate/ National	848	30	130	9	1 017	1 127	-110
TOTAL	**7 073**	**411**	**855**	**1 032**	**9 371** *	**9 584** **	**-213**

* 9,371 FTE/EPT = 10,255 head count / effectifs réels.
** March 28, 2010: 9,584 FTE/EPT = 10,336 head count / effectifs réels.

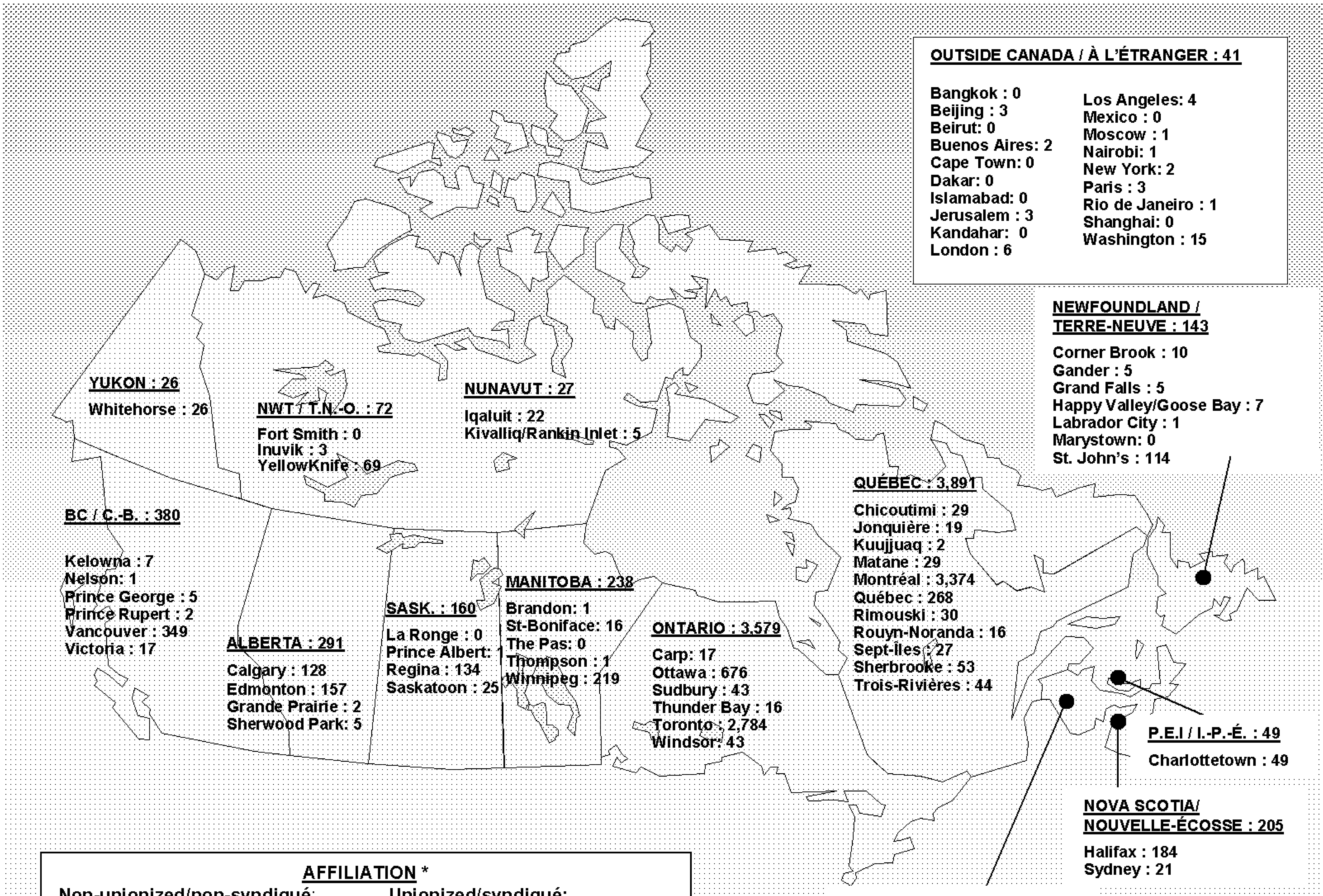
Notes:
(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.
(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /
L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.
(d) 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.

CBC/Radio-Canada Map / Carte

Full Time Equivalent / Équivalent temps plein

April 2010 / avril 2010



AFFILIATION *

Non-unionized/non-syndiqué:		Unionized/syndiqué:	
Unaffiliated:	24	APS:	698
Executives:	58	CMG:	4089
MS:	1026	SCRC:	1338
Confidential:	176	STARF:	1087
SUBTOTAL:	1,280 (14%)	SCFP:	559
		AR:	321
		SUBTOTAL	8,091 (86%)
GRAND TOTAL:	9,371		

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

Schedule A

Board of Directors

June 22 - 23, 2010

Subject matter

President and CEO's Signing Resolution

Background

In September 2009 the Board approved the attached signing authority.

Information on the matter

A copy of the President and CEO's signing resolution is included for reference.

For decision	☐	**For information**	X

Prepared by

Name: Maryse Bertrand Date: June 4, 2010

Management recommendation

Last discussed at the Board

Date: Decision made:

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets and in accordance with the provisions of the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation in respect of:

1. *(acquisition or disposition of real property)* any matters which have a financial value* or consideration to the Corporation of up to $4 million, when covered by Section 48(2) of the Broadcasting Act;

2. *(leasing of real property)* any matters which have a financial value* or consideration to the Corporation of up to $15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 dated September 24, 2002;

3. *(programming)* any matter relating to:
   a) the acquisition, production co-production, distribution or financing of programs that commits the Corporation's programming schedule for a period of 4 years or less, or
   b) any media placement by the Corporation that commits the Corporation for a period of 4 years or less

   and has a financial value* or consideration to the Corporation of up to $10 million;

4. *(revenue generating)* without limitations to its financial value or consideration for any advertising agreement or any other matter where the main objective is to generate revenues provided that it commits the Corporation for a period of 4 years or less and does not require the corporation to invest more than $15 million;

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

5. *(Investments)* any matters related to investments made pursuant to Corporate Policy 2.3.29 Management of Investments which have a financial value of up to $100 million:

6. *(general)* any other matters which have a financial value* or consideration to the Corporation of up to $5 million, save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 or Section 46.1 of the *Broadcasting Act*.

For greater certainty, the above authority does not include the authority to:

a) agree to or enter into new business ventures on behalf of the Corporation

b) discontinue or cease the operations of a division or business unit; or

c) dispose of a significant portion of the assets of a division or business unit.

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the Corporation to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Corporation in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

* Financial value includes the value of any option as if exercised.

Board of Directors
(June 21, 2010)

Subject matter

2009/2010 Quarterly Financial Management Report (Unaudited) – Fourth quarter results.

Background

N/A

Information on the matter

See attached.

For decision **For information X**

Prepared by

Name:	Suzanne Morris
Date:	May 31, 2010

Management recommendation

N/A

Last discussed at the Board

Date:	May 5, 2010
Decision made:	Reviewed 2009/2010 Monthly Financial Management Report - February 2010 results.

Next steps

N/A

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CBC Radio-Canada

2009/2010
QUARTERLY FINANCIAL MANAGEMENT REPORT
4th quarter, ended March 31, 2010
(UNAUDITED)

June 2010 Confidential

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TABLE OF CONTENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended March 31, 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. Non-cash items such as accrued pension plan expenses and other employee future benefits and amortisation are not recognised on a budget basis.

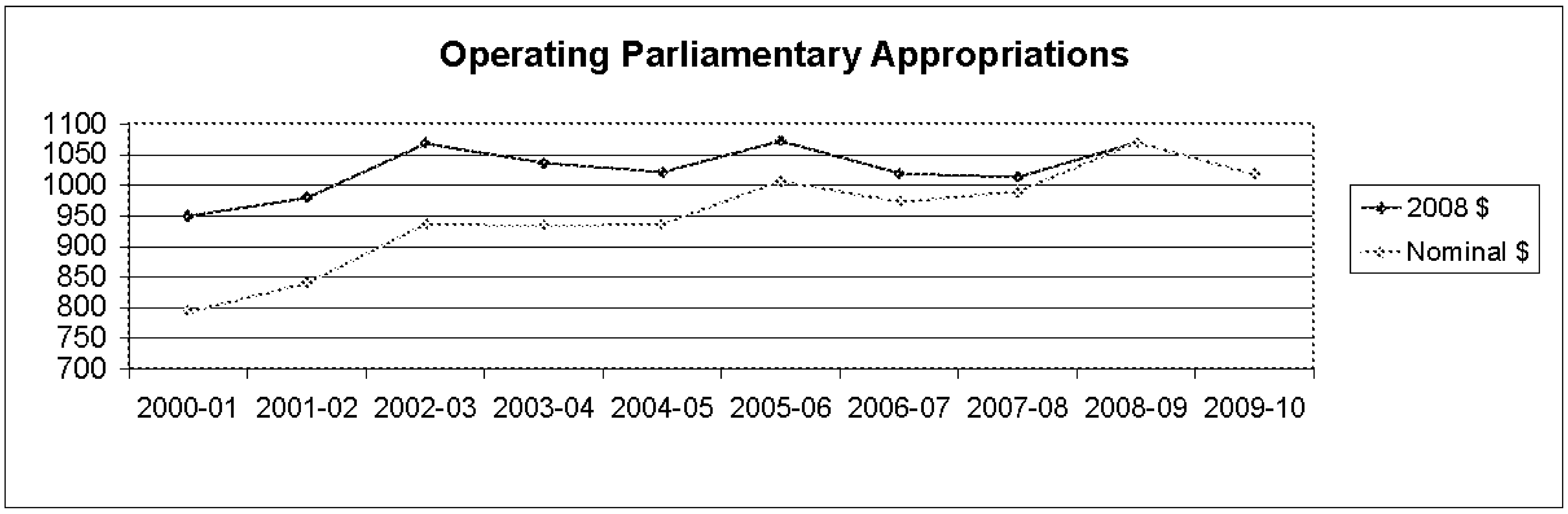
Financial Review and Analysis Content

The review and analysis of CBC/Radio-Canada's financial results for the fiscal year ended March 31, 2010 and 2009 is presented on a budget basis.

This report presents and analyses segmented results of operations for the fiscal year ended March 31, 2010, compared to the year-to-date budget, and to the year-to-date results for the same period in 2008/2009 on budget basis. Segmented results are presented for English and French media services and other operations

The Financial statements prepared on a GAAP basis for the period ended March 31, 2010 and compared with the results for the same period in 2008/2009 will be presented separately in the 2009/2010 Annual Report.

Financial Highlights
For the fiscal year ended March 31



s.18(a)

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* 2008/09 expenditures exclude Olympics costs

Overview of fiscal year ended March 31, 2010
(in $000's)

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

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	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Government Funding and Carryover					
<u>Revenues</u>					
Sale of Assets					
Local Programming Improvement Fund					
English Television					
French Television					
Local Programming Improvement Fund					
Commercial Revenues:					
English Television					
French Television					
Olympics					
Commercial Revenues					
<u>Miscellaneous Revenues-Regular Op</u>					
English Television					
French Television					
English Radio					
French Radio					
Olympics					
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 Televsion					
French Television					
English Radio					
French Radio					
Radio Canada International					
Olympics					
Downsizing					
Others					
Expenditures					
Expenditures - Specialty Services:					
CBC News Network					
bold					
Réseau de l'information					
Galaxie					
Expenditures - Specialty Services					
APPLICATION OF FUNDS					
NET POSITION					

s.68.1

s.68.1

s.18(a)

s.18(b)

Segmented Results

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

Consolidated English Services
For the fiscal year ended March 31, 2010
(in $000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Government Funding and Carryovers					
Sale of Assets					
Local Programming Improvement Fund					
Revenues					
English Television-Commercial					
English Television-Miscellaneous					
CBC News Network					
bold					
English Radio					
Revenues					
SOURCE OF FUNDS					
APPLICATION OF FUNDS					
English Television					
CBC News Network					
bold					
English Radio					
APPLICATION OF FUNDS					
NET POSITION					

s.68.1

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

s.18(a)

s.18(b)

Consolidated French Services
For the fiscal year ended March 31, 2010
(in $000's)

	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Government Funding and Carryovers					
Sale of Assets					
Local Programming Improvement Fund					
Revenues					
French Television-Commercial					
French Television-Miscellaneous					
Réseau de l'information					
French Radio					
Radio Canada International					
Revenues					
SOURCE OF FUNDS					
APPLICATION OF FUNDS					
French Television					
Réseau de l'information					
French Radio					
Radio Canada International					
APPLICATION OF FUNDS					
NET POSITION					

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

s.18(a)

s.18(b)

Other Services
For the fiscal year ended March 31
(in $000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Government Funding and Carryover					
Sale of Assets					
<u>Revenues</u>					
CBC Transmission and Distribution					
Real Estate Division					
Mobile Division-External Rentals					
Merchandising Division					
Corporate Management and Support Services					
Revenues					
SOURCE OF FUNDS					
APPLICATION OF FUNDS					
CBC Technology					
CBC Transmission and Distribution					
Real Estate Division					
Mobile Division					
Mobile Division-Recoveries from medias					
Merchandising Division					
Corporate Management and Support Services					
APPLICATION OF FUNDS					
NET POSITION					

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

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Detailed Tables of Operations

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Financial Management Report
Corporate Summary
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS					
Government Funding and Carryovers					
Sale of Assets					
Local Programming Improvement Fund					
Commercial Revenues - Regular Operations					
Commercial Revenues - Olympics					
Total Commercial Revenues					
Miscellaneous Revenues - Regular Operations					
Miscellaneous Revenues - Olympics					
Total Miscellaneous Revenues					
Total Commercial and Miscellaneous Revenues					
TOTAL SOURCE OF FUNDS - MAIN SERVICE					
TOTAL SOURCE OF FUNDS - SPECIALTY SERVICES					
TOTAL SOURCE OF FUNDS FOR CBC					
APPLICATION OF FUNDS					
Expenditures - Regular Operations					
TOTAL APPLICATION OF FUNDS - MAIN SERVICE					
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES					
TOTAL APPLICATION OF FUNDS FOR CBC					
NET POSITION ON CBC'S OPERATIONS					

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

s.18(a)

s.18(b)

Financial Management Report
Source of Funds
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Total Government Funding and Carryovers					
Sale of Assets					
Local Programming Improvement Fund					
English Television					
French Television					
Total for Local Programming Improvement Fund					
Commercial Revenues					
Commercial Revenues - Regular Operations:					
English Television					
French Television					
Total for Regular Operations					
Commercial Revenues - Olympics					
Beijing Olympics					
Total Olympics Revenues					
Total Commercial Revenues					
Miscellaneous Revenues					
Miscellaneous Revenues - Regular Operations:					
English Television					
French Television					
English Radio					
French Radio					
Sirius					
Mobile Division					
Merchandising Division					
Corporate Activities					
CBC Transmission and Distribution					
Real Estate Division					
Radio Canada International					
TBC land interest					
Total for Regular Operations					
Miscellaneous Revenues - Olympics					
Beijing Olympics					
Total for Olympics					
Total Miscellaneous Revenues					
Total Commercial and Miscellaneous Revenues					
TOTAL SOURCE OF FUNDS - MAIN SERVICE					
Specialty Services Revenues:					
CBC News Network					
bold					
Réseau de l'information					
Galaxie					
TOTAL SOURCE OF FUNDS - SPECIALTY SERVICES					
TOTAL SOURCE OF FUNDS FOR CBC					

s.18(a)

s.18(b)

s.68.1

Financial Management Report
Application (use) of Funds
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
APPLICATION OF FUNDS					
Expenditures - Regular Operations:					
English Television					
French Television					
English Radio					
French Radio					
Mobile Division					
Ottawa Production Centre					
Merchandising Division					
Corporate Activities					
CBC Technologies					
CBC Transmission & Distribution					
Real Estate Division					
Radio Canada International					
Corporate Reserve	_				
Total Expenditures - Regular Operations	_				
Expenditures - Olympics:					
Beijing Olympics					
Total Expenditures - Olympics					
TOTAL APPLICATION OF FUNDS - MAIN SERVICE					
Expenditures - Specialty Services:					
CBC News Network					
bold					
Réseau de l'information					
Galaxie					
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES					
TOTAL APPLICATION OF FUNDS ON CBC'S OPERATIONS					

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

CORPORATE SUMMARY - VARIANCE OVERVIEW
For the fiscal year ended March 31

($000's)

	2009/2010		
	Revenue Variances	**Expenditure Variances**	**Net Variance**
Main Service:			
English Television			
French Television			
English Radio			
French Radio			
Mobile Division			
Ottawa Production Center			
Merchandising Division			
Corporate Activities			
CBC Technologies			
CBC Transmission and Distribution			
Real Estate Division			
RCI			
Total - Components			
TBC Land			
Sale of Assets			
Corporate Reserve			
Total - Corporate Reserve			
TOTAL - MAIN SERVICE			
Specialty Services:			
CBC News Network			
bold			
RDI			
Galaxie			
TOTAL - SPECIALTY SERVICES			
NET POSITION			

Note - negative variances are indicated by brackets

s.18(a)

s.18(b)

Financial Management Report
Consolidated English Services
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**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					
English Television - Commercial					
English Television - Miscellaneous					
CBC News Network					
bold					
English Radio - Miscellaneous					
Total Revenues					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
English Television					
CBC News Network					
bold					
English Radio					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

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

Financial Management Report
English Television
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Contribution from Specialty Services					
Sale of Assets					
Local Programming Improvement Fund					
Commercial Revenue - Television					
Commercial Revenue - Internet					
Commercial Revenue - Contra Agreements					
Miscellaneous Revenue					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
Costs related to Revenue-generating Services *					
Media Marketing and Sales					
Business Development					
CBC.ca					
Subtotal - Revenue-generating Services					
Programming and Production					
Sports					
Network Programming					
News and Current Affairs					
Communications					
Media Operations					
Regional Operations					
Network Reserve					
Subtotal - Programming and Production					
Technical					
Toronto Production Services					
News Production Services					
Affiliates					
Plant - Broadcast Services - Master Control					
Broadcast Engineering and IT Media support					
Subtotal - Technical					
General Administration					
Management					
Training					
Support Services (Network and Regional)					
Business Rights and Content Management					
Subtotal - General Administration					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

*Please note that other areas may also generate revenues. These are only the services whose main function is revenue-generation.

s.18(a)

s.18(b)

CBC News Network
Schedule of Incremental Revenues and Costs
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
Incremental Revenues					
Commercial Revenue					
Cable Subscriptions					
Total Incremental Revenues					
Incremental Costs					
Programming					
Production & Resources					
General & Administration					
Sales and Marketing					
Total Incremental Costs					
Excess of Revenues over Costs					
Repayment to the Main Service					
Excess Revenues/(Costs) before Contribution to English Services					
Contribution to English Services					
Excess Revenues/(Costs)					

s.18(a)

s.18(b)

s.68.1

Financial Management Report
English Radio
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Miscellaneous Revenue					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
Costs related to Revenue-generating Services					
Entrepreneurial Activities					
Subtotal - Revenue-generating Services					
Programming and Production					
Arts & Entertainment					
Music Department					
Radio 3					
Sirius					
News & Current Affairs					
Network Services					
Production and Resources					
Network Reserves					
Regional Operations					
CBC North					
British Columbia					
Alberta-Calgary					
Alberta-Edmonton					
Saskatchewan					
Manitoba					
CBL-Toronto					
Ottawa					
Ontario					
Quebec					
Maritimes					
Newfoundland					
Subtotal - Regional Operations					
Subtotal - Programming and Production					
Technical					
Distribution					
Radio Production Centre					
Subtotal - Technical					
General Administration					
Management					
Subtotal - General Administration					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

A0023083_28-000151

s.18(a)

s.18(b)

Financial Management Report
Consolidated French Services
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Total Government Funding and					
Sale of Assets					
Local Programming Improvement Fund					
<u>Revenues</u>					
French Television-Commercial					
French Television-Miscellaneous					
Réseau de l'information					
French Radio					
Radio Canada International					
Total Revenues					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
French Television					
Réseau de l'information					
French Radio					
Radio Canada International					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

Financial Management Report
French Television
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Sale of Assets					
Local Programming Improvement Fund					
Commercial Revenue - Television					
Commercial Revenue - Internet					
Commercial Revenue - Contra Agreements					
Miscellaneous Revenue					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
Costs related to Revenue-generating Services					
Marketing and Sales (incl. Internet)					
Commercial Production					
Program Sales to Other Broadcasters					
Production Services and Others					
Costs - Contra Agreements					
Subtotal - Revenue-generating Services					
Programming and Production					
Sports					
Arts & Entertainment					
News and Current Affairs					
Media Operations					
Internet and Digital Services					
Communications					
Regional Operations					
Network Reserve					
Subtotal - Programming and Production					
Technical					
Affiliates					
Plant - Production Services					
Plant - Broadcast Services - Master Control					
Broadcast Engineering and IT Media Support					
Subtotal - Technical					
General Administration					
Management					
Training					
Support Services (Network and Regional)					
Subtotal - General Administration					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

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

Le Réseau de l'information
Schedule of Incremental Revenues and Costs
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
Incremental Revenues					
Commercial Revenue					
Cable Subscriptions					
Program Sales					
Others					
Prior Year Carryover					
Total Incremental Revenues					
Incremental Costs					
Programming					
Technical Services					
Sales & Marketing/Promotion					
Management and Services					
Total Incremental Costs					
Excess of Revenues over Costs					
Repayments to the Main Service					
Capital Expenditures					
Total Repayments to the Main Service					
Excess Revenues/(Costs)					

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

Financial Management Report
French Radio
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCE OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Miscellaneous Revenue					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
Programming and Production					
Première Chaîne Programs					
Espace Musique					
Sirius					
Information Programming					
Network Reserve					
Regional Operations					
Programming Management					
Atlantic					
Quebec					
Ontario/ Outaouais					
West					
Subtotal - Regional Operations					
Subtotal - Programming and Production					
Technical					
Production Services					
Subtotal - Technical					
General Administration					
Management					
Subtotal - General Administration					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

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

Financial Management Report
Corporate Activities
For the fiscal year ended March 31
($000's)

	[redacted]			[redacted]	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCES OF FUNDS					
Net Parliamentary Subsidy		83,306		82,516	790
Prior Year Carryover		3,073		4,589	(1,516)
Miscellaneous Revenues					
Strategy and Business Partnerships		1,110		1,271	(161)
General Counsel		5,058		3,879	1,179
Interest and Capital Recoveries		5,575		6,695	(1,120)
Shared Services		0		3	(3)
Corporate New Media		10		10	0
Total Miscellaneous Revenues		11,753		11,858	(105)
TOTAL SOURCE OF FUNDS		**98,132**		**98,963**	**(831)**
APPLICATION OF FUNDS					
Office of the President and CEO		1,409		2,069	660
Office of the Chairperson and Board of Directors		559		647	88
Branding, Communications and Corporate Affairs		4,785		5,147	362
Internal Audit		1,330		2,299	969
Priorities and Implementation		599		97	(502)
Training and Development		3,902		4,537	635
People and Culture		16,003		15,133	(870)
Severance Pay and Other Personnel Costs		11,100		14,256	3,156
Dental Plan, EAP and Crisis Management		4,292		4,095	(197)
Content Management		5,708		5,725	17
Regulatory Affairs		1,444		1,356	(88)
Strategy and Business Partnerships		7,452		7,146	(306)
General Counsel and Corporate Secretariat		7,811		7,809	(2)
Corporate Finance and Administration		9,619		8,538	(1,081)
Insurance, Corporate Forms, Taxes, etc.		2,423		1,313	(1,110)
Shared Services		10,920		11,062	142
International Relations		365		397	32
Ombudsman - Toronto		320		331	11
Ombudsman - Montreal		309		363	54
Corporate New Media		920		1,296	376
TOTAL APPLICATION OF FUNDS		**91,270**		**93,616**	**2,346**
NET POSITION		[redacted]	[redacted]	[redacted]	[redacted]

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

Merchandising Division
Schedule of Incremental Revenues and Costs
For the fiscal year ended March 31
($000's)

s.18(a)

s.18(b)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
SOURCE OF FUNDS					
Prior Year Carryover					
Sales of Products:					
Retail Operations					
Distribution					
Educational					
Licensing					
TOTAL SOURCE OF FUNDS					
APPLICATION OF FUNDS					
Administration					
Sales of Products:					
Retail Operations					
Warehouse Operations					
Distribution					
Educational					
Licensing					
Sub-total Application of Funds					
Reduction Required to Offset Previous Year's Deficit					
Inventory Write-Off					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

Financial Management Report
Mobile Division
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
REVENUES/ FUNDING					
Revenues:					
Revenues from External Mobile Rentals					
Internal Chargebacks from Media for Planned Internal Usage					
Total Revenues					
Other Sources/Reductions of Funds:					
Funding Received from Media for EIC's					
Prior Year Carryover					
Total - Other Sources/Reductions of Funds:					
TOTAL FUNDING AVAILABLE					
EXPENDITURES					
Direct Costs Relating to External Mobile Rentals					
General Management					
General Operations					
Total Expenditures					
OPERATING RESULTS BEFORE TRANSFERS TO MEDIA FOR PLANNED USAGE					
Funding Given to Media for Planned Internal Usage					
NET POSITION					

s.18(a)

s.18(b)

s.18(a)

s.18(b)

Galaxie
Schedule of Incremental Revenues and Costs
For the fiscal year ended March 31
($000's)

	2009/2010			2008/2009	
	Budget	**Actuals**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
Incremental Revenues					
Satellite					
Cable					
Music for Business					
Internet					
Other					
Total Incremental Revenues					
Incremental Costs					
Rights					
Internet					
Administration					
Programming					
Distribution					
Marketing					
Rising Star Program					
Total Incremental Costs					
Excess Revenues/(Costs)					

Impact of Agreement with Stingray Digital Group In	
Stingray Affiliate Agreement	
Max Trax Deal	
Overhead / Additionnal Revenues	
Satellite/Cable Revenue - CBC/Galaxie	
Stingray Agency Fee	
Write-offs, Legal Fees, etc.	
Excess Revenues/(Costs) - Stingray Agreement	

Excess Revenues/(Costs) - Including Stingray Digital Group Inc Agreement	

Capital

Page intentionally left blank

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

Capital

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

2009/2010 Capital Budget Overview as at March 31, 2010
($000's)

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

Component	Capital Plan	Actual Expenditures	Surplus/ (Deficit)	As % of Capital Plan
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)				
Broadcast & Telecom Networks (BTN)				
Transmission Division (T&D)				
Human Resources (HR)				
Corporate Components				
Fleet Management				
Mobile Division				
Minor Capital				
Enterprise Wide (EW):				
Vision				
Vision post go live project				
Vancouver Redevelopment				
Newsroom System Project - iNews				
Desktop Radio - Permanent Solution				
Other				
Impact of approved plan being higher than available capital (1)	*11%*			
TOTAL SURPLUS/(DEFICIT)				
% of Available Capital				

* includes repayment of bonds payable for TBC lease

2009/2010 Capital Budget Overview as at March 31, 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)

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

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

[illegible]								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

A0023083_42-000165

s.20(1)(b)

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

Note 4

Note 5

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

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

Note 6

Note 7

Board approved projects with forecasted deficits as at March 31, 2010

('000$)

Projects	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total ≤ $2.0M				**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 March 31, 2010, there are no projects with deficits that exceed the total budget approved by resolution of the Board of Directors.

Schedule A

Board of Directors

June 22-23, 2010

Subject matter

ANNUAL REPORT OF CBC/RADIO-CANADA **RE THE ADMINISTRATION OF THE ACCESS TO INFORMATION ACT**

Background

The *Access to Information Act* provides that an annual report be prepared and submitted to Parliament by the Corporation with respect to the administration of the Access to Information Act within CBC/Radio-Canada. This is the second report since CBC/Radio-Canada became subject to the legislation on September 1, 2007 and covers the period: April 1, 2009- March 31, 2010.

Information on the matter

A copy of the report is appended.

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

Prepared by

Name:	Maryse Bertrand
Date:	June 10, 2010

Management recommendation

Last discussed at the Board

Date: September 2009 Decision made: N/A

Next steps

Submit report to the Minister of Canadian Heritage for tabling in Parliament as required by the legislation

CBC Radio-Canada

Report on the Administration of the *Access to Information Act* for the Fiscal Year 2009-2010

Introduction

Purpose of the *Access to Information Act*

The *Access to Information Act* describes its purpose as follows:

The purpose of this Act is to extend the present laws of Canada to provide a right of access to information in records under the control of a government institution in accordance with the principles that government information should be available to the public, that necessary exceptions to the right of access should be limited and specific and that decisions on the disclosure of government information should be reviewed independently of government.

CBC/Radio-Canada Mandate

The Corporation's mission is set out in paragraphs 3(1)(l) and 3(1)(m) of the *Broadcasting Act*, which provide:

(*l*) the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;

(*m*) the programming provided by the Corporation should

(i) be predominantly and distinctively Canadian,

(ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,

(iii) actively contribute to the flow and exchange of cultural expression,

(iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,

(v) strive to be of equivalent quality in English and in French,

(vi) contribute to shared national consciousness and identity,

(vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and

(viii) reflect the multicultural and multiracial nature of Canada;

CBC/Radio-Canada Services

CBC/Radio-Canada is the only Canadian broadcaster delivering a comprehensive range of radio (commercial-free), television, Internet, and satellite-based services to Canadians, in English, French and eight Aboriginal languages. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, however and wherever they want it.

English Services

- CBC Radio One (news, current affairs, arts, and culture via radio and Sirius Satellite Radio Channel 137)
- CBC Radio 2 (classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters, Canadian Composers)
- CBC Radio 3 (emerging Canadian music via the Internet, podcast, and Sirius Satellite Radio Channel 86)
- CBC Television (news, information, sports, and entertainment)
- CBC News Network (continuous news and information via television)
- bold (drama, comedy, performing arts, and sports coverage)
- documentary (Canadian and international documentaries, films and series)
- CBC.ca (news, information, streaming video and audio, sports highlights, Web features, and multimedia archives)

French Services

- Première Chaîne (information and cultural programming via radio)
- Espace musique (classical, jazz, vocal, world, and emerging music via radio)
- Bande à part (popular and alternative French-language music via Espace musique, the Internet, podcast, and Sirius Satellite Radio Channel 87)
- Espace classique (customised classical music via the Internet)
- Espace jazz (customised jazz via the Internet)
- Espace monde (customised world music via the Internet)
- Première plus (news, current affairs and culture, in partnership with Radio Canada International and Radio France International, via Sirius Satellite Radio Channel 94)
- Sports extra (sports information and analysis via Sirius Satellite Radio Channel 96)
- Télévision de Radio-Canada (news, current affairs, drama, culture, and programming for children and youth)
- Réseau de l'information de Radio-Canada (RDI) (continuous news, information and current affairs via television)
- TOU.TV (on-demand Web television, created by Radio-Canada, featuring programming from 20 national and international producers and broadcasters)

- ARTV (arts and culture)
- TV5MONDE (programming featuring diverse cultures and perspectives, from 10 broadcast partners, including Radio-Canada)
- Radio-Canada.ca (news, information, streaming video and audio, and Web features)

Combined Services

- Radio Canada International (Canadian information and culture in seven languages via the Internet, digital and analogue shortwave, satellite, and partner stations worldwide)
- RCI viva (Web radio in seven languages featuring information for new and aspiring Canadians)
- RCI plus (programming in seven languages from Radio Canada International and national and international partners via Sirius Satellite Radio Channel 95)
- CBC North (linking Canada's northern communities via radio and television, in English, French and eight Aboriginal languages)
- CBC News Express/RDI Express (bilingual news and information service in five large Canadian airports, serving over 62 million travelers annually)
- CBC Records/Les disques SRC (label recording Canadian musicians and releasing about eight CDs annually)
- Mobile Services/Services mobiles (programming for mobile and iPhone sites, SMS alerting services, including CBC News Network and RDI as live streams and on-demand videos)
- CBC Mobile Productions/Les Productions mobiles de Radio-Canada (services for in-house production, and generating programming revenue by selling to the third party market)

Board of Directors

The Corporation is governed by a Board of Directors composed of 12 members, including the Chair, and the President and CEO. The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation. The key responsibilities of the Board are to approve the strategic direction, corporate and business plans for the Corporation, to assess the Corporation's progress in achieving its strategic and business objectives, and to oversee the plans and policies in place to ensure effective communication with Parliament, the public and stakeholders.

Organizational Structure to Fulfill *Access to Information Act* Responsibilities

CBC/Radio Canada's Access to Information and Privacy (ATIP) Office reports to the Vice-President, Real Estate, Legal Services and General Counsel, through the Associate General Counsel, Media Law. The Compliance Officer and Associate Corporate Secretary is the Corporation's Access to Information Coordinator. The ATIP Office has a staff of eight employees comprising a director, a manager, four analysts and two support staff.

The Corporation has a formal network of ATIP liaison officers covering all of the Corporation's business areas. The liaison officers are responsible for retrieving records and providing initial release recommendations to the ATIP Office.

Delegation Order

Pursuant to section 73 of the *Access to Information Act* the President and CEO of CBC/Radio-Canada has designated individuals occupying the following positions to perform certain of his functions as they relate to the administration of the *Access to Information Act* within CBC/Radio-Canada:

- Compliance Officer, Associate Corporate Secretary and ATIP Coordinator;
- Director, Access to Information and Privacy;
- Manager, Access to Information and Privacy

A copy of CBC/Radio Canada's delegation order signed on October 1, 2009 by the President and Chief Executive Officer is appended to this report as Annex A.

Statistical Reports

The statistical reports submitted to the Treasury Board Secretariat on the administration of the *Access to Information Act* have been completed and are appended to this report as Annexes B and C.

Interpretation of Statistical Reports

CBC/Radio-Canada became subject to the *Access to Information Act* on September 1, 2007.

On April 1, 2009 the Corporation carried forward 108 requests from the previous Fiscal Year and it received 247 new requests during Fiscal Year 2009-2010. Distribution of the new requests among the categories designated by the Treasury Board Secretariat is as follows:

- Media – 25.9% (64)
- Academia – 0%
- Business – 43.3% (107)
- Organization – 2.9% (7)
- Public – 27.9% (69).

CBC/Radio-Canada responded to 315 requests, carrying forward 40 into Fiscal Year 2010-2011.

CBC/Radio-Canada has been subject to the *Access to Information Act* for 31 months. In the three fiscal years reported on to date (2007-2008, 2008-2009 and 2009-2010), CBC/Radio-Canada has received 547, 221 and 247 requests respectively. It is too soon to assess whether CBC/Radio-Canada can expect to receive similar volumes in future years. It is also too soon to infer and interpret trends relating to matters such as the application of exemptions, exclusions, or time extensions.

Education and Training Activities

During Fiscal Year 2009-2010 the Director, Access to Information and Privacy met with the Corporation's Vice Presidents and key members of their senior staff to update them on the experience and activities of the ATIP Office.

Although no formal ATIP training sessions were organized exclusively for CBC/Radio-Canada employees during Fiscal Year 2009-2010, informal training and mentoring continues to occur regularly on a file-by-file basis as requests and complaints are processed. This approach involves ATIP Office staff, members of the Corporation's ATIP liaison network, and other employees throughout the Corporation.

In addition, members of the Corporation's ATIP Office staff participated in information sessions offered by the Treasury Board Secretariat, and attended other ATIP-related external meetings.

New Institution-Specific Procedures

No new institution-specific access to information related policies, guidelines, or procedures were developed this year. As in prior years, the focus during the 2009-2010 Fiscal Year has continued to be on improving the Corporation's overall performance in responding to requests.

Key Issues Raised as a Result of Complaints

One key issue raised this year as a result of complaints relates to the Information Commissioner's right to view records in respect of which CBC/Radio-Canada has invoked s.68.1 of the *Access to Information Act*. CBC/Radio Canada and the Commissioner disagree on the consequences that flow from a decision by CBC/Radio-Canada to invoke this exclusion. It is expected that the Federal Court will hear the case this year.

The other key issue was first raised in Fiscal Year 2009-2009 and was the subject of a decision of the Federal Court this year concerning the interpretation of section 41 of the *Access to Information Act.* In a judgment dated October 13, 2009 the Federal Court dismissed the application for judicial review initiated by a requestor pursuant to section 41. A notice of appeal was filed in November 2009. The appeal is expected to proceed to a hearing in the Federal Court of Appeal later this year.

Annex A – Delegation Order

CBC/Radio-Canada Access to Information Act Delegation Order

Pursuant to Section 73 of the *Access to Information Act*, I, Hubert T. Lacroix, President and CEO of CBC/Radio-Canada, do hereby designate the persons holding the positions of: Compliance Officer, Associate Corporate Secretary and Access to Information and Privacy (ATIP) Coordinator; ATIP Director; and ATIP Manager to exercise the powers and functions conferred on me by the *Act* as Head of CBC/Radio- Canada in the manner indicated below:

Sections	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
7 (a)	To give written notice to individuals who make requests that access will, or will not, be given to requested records; and to give access to the information to the individual who made the request within 30 days	X	X	
8 (1)	To transfer to another institution or to accept transfer from another institution	X	X	X
9 (1)	To extend time limits for responding to requests submitted under the *Act* and to issue corresponding notices	X	X	X
9 (2)	To notify Information Commissioner of extensions exceeding 30 days	X	X	X
10 (1)	To advise individuals requesting a record that the record does not exist, or to advise individuals of the specific provisions of the *Act* under which a record is withheld	X	X	
10 (2)	To neither confirm nor deny that a record exists	X	X	
11 (2), (3)	To require additional payment for before access is given.	X	X	X
11 (4)	To require deposit before search for, or production of, records	X	X	X
11 (5)	To notify applicant of additional amounts *payable*	X	X	X
11 (6)	To waive requirement for payment, or to refund payments already made	X	X	X

Sections	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
12 (2) (b) and 12 (3) (b)	To determine the necessity for translation, or conversion of requested records to alternative format	X	X	X
13 (1)	To withhold information obtained in confidence from governments of foreign states, provinces, municipalities; defined First Nations Councils; or institutions thereof	X	X	
13 (2)	To disclose information obtained in confidence from governments of foreign states, provinces, municipalities; defined first Nations Councils; or institutions thereof, if the government or institution that provided the information consents to its disclosure or makes the information public	X	X	
14	To withhold information if its disclosure would be injurious to the conduct of federal-provincial affairs	X	X	
15	To withhold information if its disclosure would be injurious to the conduct of international affairs, the defence of Canada or its allies, or Canada's efforts toward detecting, preventing, or suppressing subversive or hostile activities	X	X	
16 (1)	To withhold information obtained or prepared by investigative bodies in the course of lawful investigations; or personal information the disclosure of which would be injurious to the enforcement of any law of Canada or a province, or information whose disclosure could reasonably be expected to be injurious to the security of penal institutions	X	X	
16 (2)	To withhold information whose disclosure could reasonably be expected to facilitate the commission of an offence	X	X	
16(3)	To withhold information obtained or prepared by the RCMP while performing policing services for a municipality or province	X	X	
16.5	To withhold information that was created for the purpose of making a disclosure under the *Public Servants Disclosure Protection Act*	X	X	
17	To withhold information if its disclosure could reasonably be expected to threaten the safety of individuals	X	X	
18	To withhold information if its disclosure would be injurious to the economic interests of Canada	X	X	

Sections	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
19 (1)	To withhold personal information as defined in section 3 of the *Privacy Act*	X	X	
19 (2)	To disclose personal information with the consent of the individual concerned; if the information is publicly available; or in accordance with section 8 of the *Privacy Act*	X	X	
20 (1) (a)	To withhold trade secrets of third party	X	X	
20 (1) (b)	To withhold financial, commercial, scientific or technical information that is confidential to a third party	X	X	
20 (1) (*b.1*)	To withhold confidential information provided by a third party for the preparation of emergency management plans that concerns vulnerabilities in the third party's security measures	X	X	
20 (1) (c)	To withhold information the disclosure of which could reasonably be expected to materially affect the financial or competitive position of a third party	X	X	
20 (1) (d)	To withhold information that would interfere with contractual or other negotiations of a third party	X	X	
20 (3)	*To provide written explanation of environmental* testing methods	X	X	
20 (5)	To disclose third party information described at sections 20(1) (a) to (d) of the *Act* with consent of the third party to whom the information relates	X	X	
20 (6)	To disclose third part information described at sections 20(1)(b) to d) of the *Act* if in the public interest	X	X	
21(1) (a) to (d)	To withhold information that contains advice, recommendations, accounts of deliberations, positions or plans	X	X	
22	To withhold testing and audit information if disclosure would prejudice results of particular tests or audits	X	X	
22.1	To withhold draft internal audit reports or related audit working papers	X	X	
23	To withhold information that is subject to *solicitor-client privilege*	X	X	

Sections	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
24	To withhold information the disclosure of which is restricted by other legislation listed in Schedule II of the *Act*	X	X	
25	To disclose releasable information after severing it from those parts of records that are to be withheld	X	X	X
26	To refuse disclosure if information is about to be published	X	X	
27 (1)	To give third parties notice of intent to disclose information within 30 days of a request being submitted under the *Act*	X	X	X
27(3)(c)	To receive representations from third parties explaining why records should not be disclosed	X	X	
27 (4)	To extend 30 day time limit for third party representations	X	X	
28 (1)	Review representations and decide whether to disclose third party records	X	X	
28 (2)	To waive the requirement for third parties to provide representations in writing	X	X	
28 (4)	To give applicants access to third party records	X	X	
29	To notify third parties and requestors of a third party's right to request judicial review if the Information Commissioner recommends disclosure records containing third party information	X	X	
33	To advise the Information Commissioner of third party interest in records withheld from disclosure (following receipt of a complaint from the Information Commissioner)	X	X	X
35 (2)	To make representations to the Information Commissioner	X	X	X
37 (4)	To give complainants access to previously withheld records, as recommended by the Information Commissioner	X	X	
43 (1)	To notify third parties of requests for judicial review made by the requestors, or the Information Commissioner, where disclosure of third party information is involved	X	X	

Sections	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
44 (2)	To notify requestors when third parties request judicial review of decisions to disclose third party information	X	X	
52 (2)	To request that Section 52 applications and appeals into the non-disclosure of records pursuant to sections 13(1)(a) or (b), or 15, be held in the National Capital Region	X	X	
52 (3)	To make representations at section 52 hearings	X	X	
68.1	To exclude information pertaining to journalistic, creative of programming activities of CBC	X		
69	To exclude confidences of the Queen's Privy Council	X	X	
71 (2)	To exempt information severed from manuals	X	X	
72 (1)	To prepare annual report to Parliament on the administration of the *Access to Information Act*	X	X	X

HTLacroix

Hubert T. Lacroix

1st October, 2009

A0023086_14-000182

Annex B – Statistical Report for Fiscal Year 2009-2010

Government of Canada / Gouvernement du Canada

REPORT ON THE ACCESS TO INFORMATION ACT
RAPPORT CONCERNANT LA LOI SUR L'ACCÈS À L'INFORMATION

Institution	CBC / Radio-Canada			Reporting Period / Période visée par le rapport	2009-04-01 to/à 2010-03-31
Source	Media / Médias 64	Academia / Secteur universitaire 0	Business / Secteur commercial 107	Organization / Organisme 7	Public 69

I Requests under the Access to Information Act / Demandes en vertu de la Loi sur l'accès à l'information

Received during reporting period / Reçues pendant la période visée par le rapport	247
Outstanding from previous period / En suspens depuis la période antérieure	108
TOTAL	355
Completed during reporting period / Traitées pendant la période visée par le rapport	315
Carried Forward / Reportées	40

II Disposition of requests completed / Disposition à l'égard des demandes traitées

1.	All Disclosed / Communication totale	25	6.	Unable to process / Traitement impossible	54
2.	Disclosed in part / Communication partielle	144	7.	Abandoned by applicant / Abandon de la demande	37
3.	Nothing disclosed (excluded) / Aucune communication (exclusion)	54	8.	Treated informally / Traitement non officiel	0
4.	Nothing disclosed (exempt) / Aucune communication (exemption)	1		TOTAL	315
5.	Transferred / Transmission	0			

III Exemptions invoked / Exemptions invoquées

S. Art. 13(1)(a)	0	S. Art. 16(1)(a)	0	S. Art. 18(b)	62	S. Art. 21(1)(a)	41
(b)	0	(b)	0	(c)	0	(b)	42
(c)	0	(c)	0	(d)	3	(c)	14
(d)	0	(d)	0	S. Art. 19(1)	100	(d)	12
S. Art. 14	0	S. Art. 16(2)	50	S. Art. 20(1)(a)	3	S. Art. 22	4
S. Art. 15(1) International rel. / Relations Intern.	0	S. Art. 16(3)	0	(b)	55	S. Art. 23	25
Defence / Défense	0	S. Art. 17	1	(c)	11	S. Art. 24	0
Subversive activities / Activités subversives	0	S. Art. 18(a)	65	(d)	9	S. Art. 26	1

IV Exclusions cited / Exclusions citées

S. Art. 68(a)	10	S. Art. 69(1)(c)	0
(b)	0	(d)	0
(c)	0	(e)	0
S. Art. 69(1)(a)	0	(f)	0
(b)	0	(g)	0

V Completion time / Délai de traitement

30 days or under / 30 jours ou moins	123
31 to 60 days / De 31 à 60 jours	40
61 to 120 days / De 61 à 120 jours	52
121 days or over / 121 jours et plus	100

VI Extensions / Prorogations des délais

	30 days or under / 30 jours ou moins	31 days or over / 31 jours ou plus
Searching / Recherche	0	1
Consultation	0	0
Third party / Tiers	0	0
TOTAL	0	1

VII Translations / Traduction

Translations requested / Traductions demandées		0
Translations prepared / Traductions préparées	English to French / De l'anglais au français	0
	French to English / Du français à l'anglais	0

VIII Method of access / Méthode de consultation

Copies given / Copies de l'original	169
Examination / Examen de l'original	0
Copies and examination / Copies et examen	0

IX Fees / Frais

Net fees collected / Frais net perçus			
Application fees / Frais de la demande	$ 1,005.00	Preparation / Préparation	$0.00
Reproduction	$0.00	Computer processing / Traitement informatique	$0.00
Searching / Recherche	$ 3,391.20	TOTAL	$ 4,396.20

Fees waived / Dispense de frais	No. of times / Nombre de fois	$
$25.00 or under / 25 $ ou moins	46	$230.00
Over $25.00 / De plus de 25 $	0	$0.00

X Costs / Coûts

Financial (all reasons) / Financiers (raisons)	($ 000)
Salary / Traitement	579.65
Administration (O and M) / Administration (fonctionnement et maintien)	123.13
TOTAL	702.78
Person year utilization (all reasons) / Années-personnes utilisées (raisons)	
Person year (decimal format) / Années-personnes (nombre décimal)	7.63

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Annex C – Additional Reporting Requirements for Fiscal Year 2009-2010

Additional Reporting Requirements

Access to Information Act

In addition to the reporting requirements addressed in form TBS/SCT 350-62 "Report on the *Access to Information Act*", institutions are required to report on the following using this form:

Part III – Exemptions invoked
Section 13
Subsection 13(e) ______0_________

Section 14
Subsections 14(a) ______0____________
14(b) _______0___________

Part IV – Exclusions cited:
Subsection 68.1 (1) ____94 _(48 in full, 46 in part)__
Subsection 69.1 (1) _______0_________

Schedule A

Board of Directors

June 22-23, 2010

Subject matter

ANNUAL REPORT OF CBC/RADIO-CANADA **RE THE ADMINISTRATION OF THE PRIVACY ACT**

Background

The *Privacy Act* provides that an annual report be prepared and submitted to Parliament by the Corporation with respect to the administration of the Privacy Act within CBC/Radio-Canada. This is the second report since CBC/Radio-Canada became subject to the legislation on September 1, 2007 and covers the period: April 1, 2009- March 31, 2010.

Information on the matter

A copy of the report is appended.

For decision	☐	**For information**	X

Prepared by

Name:	Maryse Bertrand
Date:	June 10, 2010

Management recommendation

Last discussed at the Board

Date: September 2009 Decision made: N/A

Next steps

Submit report to the Minister of Canadian Heritage for tabling in Parliament as required by the legislation

CBC Radio-Canada

Report on the Administration of the *Privacy Act* for the Fiscal Year 2009-2010

Introduction

Purpose of the *Privacy Act*

The *Privacy Act* describes its purpose as follows:

The purpose of this Act is to extend the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves held by a government institution and that provide individuals with a right of access to that information.

CBC/Radio-Canada Mandate

The Corporation's mission is set out in paragraphs 3(1)(l) and 3(1)(m) of the *Broadcasting Act*, which provide:

(*l*) the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;

(*m*) the programming provided by the Corporation should

(i) be predominantly and distinctively Canadian,

(ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,

(iii) actively contribute to the flow and exchange of cultural expression,

(iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,

(v) strive to be of equivalent quality in English and in French,

(vi) contribute to shared national consciousness and identity,

(vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and

(viii) reflect the multicultural and multiracial nature of Canada;

CBC/Radio-Canada Services

CBC/Radio-Canada is the only Canadian broadcaster delivering a comprehensive range of radio (commercial-free), television, Internet, and satellite-based services to Canadians, in English, French and eight Aboriginal languages. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, however and wherever they want it.

English Services

- CBC Radio One (news, current affairs, arts, and culture via radio and Sirius Satellite Radio Channel 137)
- CBC Radio 2 (classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters, Canadian Composers)
- CBC Radio 3 (emerging Canadian music via the Internet, podcast, and Sirius Satellite Radio Channel 86)
- CBC Television (news, information, sports, and entertainment)
- CBC News Network (continuous news and information via television)
- bold (drama, comedy, performing arts, and sports coverage)
- documentary (Canadian and international documentaries, films and series)
- CBC.ca (news, information, streaming video and audio, sports highlights, Web features, and multimedia archives)

French Services

- Première Chaîne (information and cultural programming via radio)
- Espace musique (classical, jazz, vocal, world, and emerging music via radio)
- Bande à part (popular and alternative French-language music via Espace musique, the Internet, podcast, and Sirius Satellite Radio Channel 87)
- Espace classique (customised classical music via the Internet)
- Espace jazz (customised jazz via the Internet)
- Espace monde (customised world music via the Internet)
- Première plus (news, current affairs and culture, in partnership with Radio Canada International and Radio France International, via Sirius Satellite Radio Channel 94)
- Sports extra (sports information and analysis via Sirius Satellite Radio Channel 96)
- Télévision de Radio-Canada (news, current affairs, drama, culture, and programming for children and youth)
- Réseau de l'information de Radio-Canada (RDI) (continuous news, information and current affairs via television)
- TOU.TV (on-demand Web television, created by Radio-Canada, featuring programming from 20 national and international producers and broadcasters)

- ARTV (arts and culture)
- TV5MONDE (programming featuring diverse cultures and perspectives, from 10 broadcast partners, including Radio-Canada)
- Radio-Canada.ca (news, information, streaming video and audio, and Web features)

Combined Services

- Radio Canada International (Canadian information and culture in seven languages via the Internet, digital and analogue shortwave, satellite, and partner stations worldwide)
- RCI viva (Web radio in seven languages featuring information for new and aspiring Canadians)
- RCI plus (programming in seven languages from Radio Canada International and national and international partners via Sirius Satellite Radio Channel 95)
- CBC North (linking Canada's northern communities via radio and television, in English, French and eight Aboriginal languages)
- CBC News Express/RDI Express (bilingual news and information service in five large Canadian airports, serving over 62 million travelers annually)
- CBC Records/Les disques SRC (label recording Canadian musicians and releasing about eight CDs annually)
- Mobile Services/Services mobiles (programming for mobile and iPhone sites, SMS alerting services, including CBC News Network and RDI as live streams and on-demand videos)
- CBC Mobile Productions/Les Productions mobiles de Radio-Canada (services for in-house production, and generating programming revenue by selling to the third party market)

Board of Directors

The Corporation is governed by a Board of Directors composed of 12 members, including the Chair, and the President and CEO. The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation. The key responsibilities of the Board are to approve the strategic direction, corporate and business plans for the Corporation, to assess the Corporation's progress in achieving its strategic and business objectives, and to oversee the plans and policies in place to ensure effective communication with Parliament, the public and stakeholders.

Organizational Structure to Fulfill *Privacy Act* Responsibilities

CBC/Radio Canada's Access to Information and Privacy (ATIP) Office reports to the Vice-President, Real Estate, Legal Services and General Counsel through the Associate General Counsel, Media Law. The Compliance Officer and

Associate Corporate Secretary is the Corporation's Privacy Coordinator. The ATIP Office has a staff of eight employees comprising a director, a manager, four analysts and two support staff.

The Corporation has a formal network of ATIP liaison officers covering all of the Corporation's business areas. The liaison officers are responsible for retrieving records and providing initial release recommendations to the ATIP Office.

Delegation Order

Pursuant to section 73 of the *Privacy Act* the President and CEO of CBC/Radio-Canada has designated individuals occupying the following positions to perform certain of his functions as they relate to the administration of the *Privacy Act* within CBC/Radio-Canada:

- Compliance Officer, Associate Corporate Secretary and ATIP Coordinator;
- Director, Access to Information and Privacy;
- Manager, Access to Information and Privacy

A copy of CBC/Radio Canada's delegation order signed October 1, 2009 by the President and Chief Executive Officer is appended to this report as Annex A.

Statistical Reports

The statistical reports submitted to the Treasury Board Secretariat on the administration of the *Privacy Act* have been completed and are appended to this report as Annexes B and C.

Interpretation of Statistical Reports

CBC/Radio-Canada became subject to the *Privacy Act* on September 1, 2007.

On April 1, 2009 the Corporation carried forward 5 requests from the previous Fiscal Year and it received 12 new requests during Fiscal Year 2009-2010. Thirteen requests were responded to, carrying forward 4 into Fiscal Year 2010-2011.

CBC/Radio-Canada has been subject to the *Privacy Act* for 31 months. In the three fiscal years reported on to date (2007-2008, 2008-2009 and 2009-2010), CBC/Radio-Canada has received 8, 21, and 12 requests respectively. Although this period and the number of requests are too small to infer and interpret trends, the majority of the requests continue to be for employment and personnel files.

Education and Training Activities

During Fiscal Year 2009-2010 the Director, Access to Information and Privacy met with the Corporation's Vice Presidents and key members of their senior staff to update them on the experience and activities of the ATIP Office.

Although no formal ATIP training sessions were organized exclusively for CBC/Radio-Canada employees during Fiscal Year 2009-2010, informal training and mentoring continues to occur regularly on a file-by-file basis as requests and complaints are processed. This approach involves ATIP Office staff, members of the Corporation's ATIP liaison network, and other employees throughout the Corporation.

In addition, members of the Corporation's ATIP Office staff participated in information sessions offered by the Treasury Board Secretariat, and attended other ATIP-related external meetings.

New institution-specific procedures

No new institution-specific privacy related policies, guidelines, or procedures were developed this year. As in prior years, the focus during the 2009-2010 Fiscal Year has been on improving the Corporation's overall performance in responding to requests.

Key Issues Raised as a Result of Complaints

One key issue raised this year as a result of complaints relates to the Privacy Commissioner's right to view records in respect of which CBC/Radio-Canada has invoked s.69.1 of the *Privacy Act*. CBC/Radio Canada and the Commissioner disagree on the consequences that flow from a decision by CBC/Radio-Canada to invoke this exclusion. It is expected that the Federal Court will hear the case this year.

Privacy Impact Assessments

No Privacy Impact Assessments were completed during the periods covered by this report.

Disclosures Pursuant to Sections 8(2)(m) of the *Privacy Act*

No disclosures were made pursuant to s. 8(2)(m) of the *Privacy Act* during the period covered by this report.

Annex A – Delegation Order

CBC/Radio-Canada Privacy Act Delegation Order

Pursuant to Section 73 of the *Privacy Act*, I, Hubert T. Lacroix, President and CEO of CBC/Radio-Canada, do hereby designate the persons holding the positions of: Compliance Officer, Associate Corporate Secretary, and Access to Information and Privacy (ATIP) Coordinator; ATIP Director; and ATIP Manager to exercise the powers and functions conferred on me by the *Act* as Head of CBC/Radio-Canada in the manner indicated below:

Section	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
8 (2) (a)	To disclose personal information for the purpose it was obtained or compiled, or for a use consistent with that purpose	X	X	X
8 (2) (b)	To disclose personal information for purposes authorized by any Act of Parliament or regulation	X	X	X
8 (2) (c)	To disclose personal information for the purpose of complying with a subpoena, warrant, or order	X	X	X
8 (2) (d)	To disclose personal information to the Attorney General of Canada for use in legal proceedings	X	X	X
8 (2) (e)	To disclose personal information to investigative bodies for the purpose enforcing any law of Canada or a province, or for carrying out a lawful investigation	X	X	X
8 (2) (f)	To disclose personal information to provincial governments, foreign governments, or international organizations for law enforcement and lawful investigation purposes	X	X	X
8 (2) (g)	To disclose personal information to a member of Parliament for the purpose of assisting an individual	X	X	X
8 (2) (h)	To disclose personal information for audit purposes	X	X	X
8 (2) (i)	To disclose personal information to the National Archives of Canada for archival purposes	X	X	X
8 (2) (j)	To disclose personal information for research or statistical purposes	X	X	X
8 (2) (k)	To disclose personal information for the purpose of validating aboriginal claims	X	X	X
8 (2) (l)	To disclose personal information to government institutions for the purpose of locating an individual to collect a debt owing to Her Majesty or to make a payment owed by Her Majesty	X	X	X

Section	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
8 (2) (m)	To disclose personal information in the public interest or to benefit an individual	X	X	X
8 (4)	To maintain records of requests from investigative bodies and make them available to the Privacy Commissioner on request	X	X	X
8 (5)	To notify Privacy Commissioner of disclosures in the public interest	X	X	X
9 (1)	To retain a record of uses or disclosures of personal information for purposes not included in the index (InfoSource), and attach such records to the personal *information involved*	X	X	X
9 (4)	To notify the Privacy Commissioner when personal information is used or disclosed for consistent purposes that are not included in the index (InfoSource), and to include the use in the next issue of the index	X	X	X
10 (1)	To cause personal information to be included personal information banks	X	X	X
14	To give written notice to individuals who make requests that access will, or will not, be *given to requested information; and to give access* to the information to the individual who made the request within 30 days	X	X	X
15	To extend time limits for responding to requests and to issue corresponding notices	X	X	X
16 (1)	To advise individuals requesting personal information that the requested information does not exist, or to advise individuals of the specific provisions of the *Act* under which personal information is withheld	X	X	X
16 (2)	To neither confirm nor deny that personal information exists	X	X	X
17 (2) (b) and 17 (3) (b)	To determine the necessity for translation, interpretation, or conversion of requested records to alternative format	X	X	X
18 (2)	To withhold personal information contained an exempt bank.	X	X	X
19 (1)	To withhold personal information obtained in confidence from governments of foreign states, provinces, municipalities; defined First Nations Councils; or institutions thereof	X	X	X
19 (2)	To disclose personal information obtained in confidence from governments of foreign states, provinces, municipalities; defined First Nations Councils; or institutions thereof, if the government or institution that provided the information	X	X	X

Section	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
	consents to its disclosure or makes the information public			
20	To withhold personal information if its disclosure would be injurious to the conduct of federal-provincial affairs	X	X	X
21	To withhold personal information if its disclosure would be injurious to the conduct of international affairs, the defence of Canada or its allies, or Canada's efforts toward detecting, preventing, or suppressing subversive or hostile activities	X	X	X
22 (1)	To withhold personal information obtained or prepared by investigative bodies in the course of lawful investigations; or personal information the disclosure of which would be injurious to the enforcement of any law of Canada or a province, or personal information if its disclosure could reasonably be expected to be injurious to the security of penal institutions	X	X	X
22 (2)	To withhold personal information obtained or prepared by the RCMP while performing policing services for a municipality or province	X	X	X
22.3	To withhold personal information that was created for the purpose of making a disclosure under the *Public Servants Disclosure Protection Act*	X	X	
23	To withhold personal information obtained or prepared by an investigative body for the purpose determining whether to grant security clearances	X	X	X
24	To withhold personal information collected or prepared by the Correctional Service of Canada or the National Parole Board while the individual concerned was under sentence for an offence	X	X	X
25	To withhold personal information if its disclosure could reasonably be expected to threaten the safety of individuals	X	X	X
26	To withhold personal information about other individuals	X	X	X
27	To withhold personal information that is subject to solicitor-client privilege	X	X	X
28	To withhold personal information concerning the physical or mental health of an individual from the individual who requested it if is disclosure would not be in the their best interests	X	X	X
31	To receive notice of investigation by the Privacy Commissioner	X	X	X
33 (2)	To make representations to the Privacy Commissioner during an investigation	X	X	X

Section	Summary of Powers, Duties or Functions	Compliance Officer, Associate Corporate Secretary and ATIP Coordinator	ATIP Director	ATIP Manager
35 (1) (b)	To advise the Privacy Commissioner of actions taken to implement recommendations, or reasons why recommended actions are not being implemented	X	X	X
35 (4)	To provide applicants with access to personal information pursuant to Privacy Commissioner's recommendations	X	X	X
36 (3)	To receive reports from the Privacy Commissioner that personal information should not be contained in an exempt bank	X	X	X
37 (3)	To receive reports from the Privacy Commissioner regarding compliance with sections 4 to 8 of the *Privacy Act*	X	X	X
51 (2) (b)	To request that section 51 applications and appeals into the non-disclosure of records pursuant to sections 19(1)(a) or (b), or 21, be held in the National Capital Region	X	X	X
51 (3)	To make representations in section 51 hearings	X	X	X
69.1	To exclude personal information that CBC collects, uses or discloses for journalistic, artistic or literary purposes	X		
70	To exclude confidences of the Queen's Privy Council	X	X	X
72 (1)	To prepare annual report to Parliament on the administration of the *Privacy Act*	X	X	X

HLacroix

Hubert T. Lacroix

1st October, 2009

A0023087_12-00019

Annex B – Statistical Report for Fiscal Year 2009-2010

Government of Canada / Gouvernement du Canada

REPORT ON THE PRIVACY ACT

RAPPORT CONCERNANT LA LOI SUR LA PROTECTION DES RENSEIGNEMENTS PERSONNELS

Institution: CBC/Radio-Canada	Reporting Period / Période visée par le rapport: 2009-04-01 to/à 2010-03-31

I Requests under the Privacy Act / Demandes en vertu de la Loi sur la protection des renseignements personnels

Received during reporting period / Reçues pendant la période visée par le rapport	12
Outstanding from pervious period / En suspens depuis la période antérieure	5
TOTAL	17
Completed during reporting period / Traitées pendant la période visée par le rapport	13
Carried Forward / Reportées	4

II Disposition of requests completed / Disposition à l'égard des demandes traitées

1.	All Disclosed / Communication totale	2
2.	Disclosed in part / Communication partielle	7
3.	Nothing disclosed (excluded) / Aucune communication (exclusion)	0
4.	Nothing disclosed (exempt) / Aucune communication (exemption)	0
5.	Unable to process / Traitement impossible	2
6.	Abandoned by applicant / Abandon de la demande	2
7.	Transferred / Transmission	0
	TOTAL	13

III Exemptions invoked / Exemptions invoquées

S. Art. 18(2)	0
S. Art. 19(1)(a)	0
(b)	0
(c)	0
(d)	0
S. Art. 20	0
S. Art. 21	0
S. Art. 22(1)(a)	0
(b)	1
(c)	0
S. Art. 22(2)	0
S. Art. 23(a)	0
(b)	0
S. Art. 24	0
S. Art. 25	0
S. Art. 26	7
S. Art. 27	1
S. Art. 28	0

IV Exclusions cited / Exclusions citées

S. Art. 69(1)(a)	0
(b)	0
S. Art. 70(1)(a)	0
(b)	0
(c)	0
(d)	0
(e)	0
(f)	0

V Completion time / Délai de traitement

30 days or under / 30 jours ou moins	6
31 to 60 days / De 31 à 60 jours	2
61 to 120 days / De 61 à 120 jours	3
121 days or over / 121 jours et plus	2

VI Extensions / Prorogations des délais

	30 days or under / 30 jours ou moins	31 days or over / 31 jours ou plus
Interference with operations / Interruption des opérations	3	0
Consultation	0	0
Translation / Traduction	0	0
TOTAL	3	0

VII Translations / Traductions

Translations requested / Traductions demandées		0
Translations prepared / Traductions préparées	English to French / De l'anglais au français	0
	French to english / Du français à l'anglais	0

VIII Method of access / Méthode de consultation

Copies given / Copies de l'original	9
Examination / Examen de l'original	0
Copies and examination / Copies et examen	0

IX Corrections and notation / Corrections et mention

Corrections requested / Corrections demandées	0
Corrections made / Corrections effectuées	0
Notation attached / Mention annexée	0

X Costs / Coûts

Financial (all reasons) / Financiers (raisons)	($000)
Salary / Traitement	28.16
Administration (O and M) / Administration (fonctionnement et maintien)	5.98
TOTAL	34.14
Person year utilization (all reasons) / Années-personnes utilisées (raisons)	
Person year (decimal format) / Années-personnes (nombre décimal)	0.37

Annex C – Additional Reporting Requirements for Fiscal Year 2009-2010

Additional Reporting Requirements

Privacy Act

Treasury Board Secretariat is monitoring compliance with the Privacy Impact Assessment (PIA) Policy (which came into effect on May 2, 2002) through a variety of means. Institutions are therefore required to report the following information for this reporting period.

Indicate the number of:
Preliminary Privacy Impact Assessments initiated: _____0___
Preliminary Privacy Impact Assessments completed: ____0__
Privacy Impact Assessments initiated:____0____
Privacy Impact Assessments completed:___0___
Privacy Impact Assessments forwarded to the Office of the Privacy Commissioner (OPC): ____0___

Exclusions cited:
Subsection 69.1 (1) ____0____

Audit Committee

June 21, 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 June 1, 2010.

For decision ☐ **For information** ■

Prepared by

Name: Suzanne Morris
date: June 9, 2010

Management recommendation

N/A

Last discussed at the Board

Date: March 10, 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
June 21, 2010

CONFIDENTIAL

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

s.21(1)(b)
s.21(1)(d)

LEGEND

Risk Trend: Decreasing Stable Increasing • No change to status

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

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

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

s.21(1)(b)
s.21(1)(d)

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 June 1, 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 June 1, 2010	Risk Trend

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 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 June 1, 2010	Risk Trend

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

s.18(a)
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 June 1, 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 June 1, 2010	Risk Trend

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

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

s.18(a)
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 June 1, 2010	Risk Trend

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

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

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

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

s.21(1)(b)

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Status Update as at June 1, 2010	Risk Trend

DRAFT

375th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
May 11-12, 2010

Mr. Timothy W. Casgrain	Chair
Mr. Hubert T. Lacroix	President and CEO
Ms. Linda Black	
Mr. Peter Charbonneau	
Mr. George Cooper	
Ms. Patricia McIver	
Mr. Brian Mitchell	
Mr. Rémi Racine	
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.

375th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
May 11-12, 2010

The Chair called the meeting to order at 12:00 p.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 March 16, 2010 meeting be and are hereby approved as presented.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

Richard Stursberg, Executive Vice-President, English Services, Jennifer McGuire, General Manager and Editor-in-Chief, CBC News, and Barbara Pizel, Director, Research Toronto, English Services, joined the meeting.

Update re News Renewal
Richard Stursberg and Jennifer McGuire provided an overview of the progress of the news renewal, referencing the material distributed to Directors in advance. They reviewed in detail the history of CBC's news presence (national, regional and local) in various time slots over a number of years. They also canvassed the changes undertaken in 2009-2010 and the response to date.

Mr. Stursberg and Ms. McGuire responded to questions and comments from Board members on: (i) goals for weekend news coverage; (ii) resource allocation between national and local news; (iii) the promotional strategy with respect to news; (iv) the importance of news personalities; (v) CBC's competitive position vis-à-vis the specialty news networks; and (vi) steps taken to make news content more accessible across all platforms.

A further update on the news renewal will be provided at the November 2010 Board meeting.

Ms. McGuire and Ms. Pizel withdrew from the meeting. s.21(1)(b)

Post Mortems - Board Approved Business Deals
Richard Stursberg presented highlights of the material circulated to Directors in advance with respect to the status of two business transactions approved by the Board in 2008.

Sale of CBC International Television Program Sales to Content Film
The material included the business plan as approved by the Board in January 2008, the actual results achieved, and the key learnings and conclusions. Mr. Stursberg focused primarily on the results and the lessons learned and responded to questions from Board members on: [redacted] and (ii) one aspect of the financial results associated with the transaction.

Establishment of Wonder World (Children's Broadband Channel)
The material included the business plan as approved by the Board in March 2008, a summary of the deal objectives, the results to date, and the key learnings and conclusions. Mr. Stursberg observed that, given the launch of the channel was delayed to September 2009, it was too early to assess the success of the project.

A further update on the Wonder World channel will be provided at the January 2011 Board meeting.

Mr. Stursberg withdrew from the meeting.

CHAIR'S REPORT

Mr. Casgrain provided a report on his activities since the March Board meeting, referencing a number of meetings and other events comprising his schedule. In particular, Mr. Casgrain highlighted the following: (i) a meeting with the Hon. Jim Prentice, Minister of the Environment; (ii) a meeting with the Hon. Diane Ablonczy, Minister of State for Seniors; (iii) an initial meeting with the newly appointed Board member, Ted Boyd; and (iv) preliminary discussions with Jennifer Gillivan regarding a possible literary initiative.

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, joined the meeting, as did the following representatives from Bain and Company:

[redacted]

s.19(1)
s.21(1)(b)

Peter Charbonneau, Chair of the Committee, summarized the work of the Committee to this point, and outlined the focus for the Board's discussion. At his request, [redacted] introduced the members of the Bain team.

s.19(1)

The President and CEO provided further background and context and reviewed, for the benefit of the Board, the four desired outcomes of the long term strategic planning process.

Michel Tremblay outlined the framework for the Board's discussion of the proposed mission statement and guiding principles, referencing the material circulated.

[redacted] provided an overview of the findings from a review of the external environment, detailing the shifts in patterns of media consumption, changes in audience habits, the role of different platforms, and the multiple pressures (economic/competitive/structural) on public and private broadcasters. Michel Tremblay summarized the current position of CBC/Radio-Canada within this landscape and the President and CEO highlighted the consequences for the Corporation over the next five years, should both the current funding model and level of services remain unchanged.

[redacted] set out the mission framework, explaining the interplay between the various components. Bill Chambers also provided further context and information for the Board regarding the choice of wording for the mission statement and the results of the focus groups conducted on the key phrases employed within that statement.

The President and CEO focused on the guiding principles, elaborating on each of them in detail and indicating their relationship to the mandate of the Corporation as set out in the Broadcasting Act. Francine Létourneau and [redacted] described the method by which the Corporation proposes to measure its success in satisfying the guiding principles and delivering on the mission.

The Board engaged in a thorough discussion of the proposed mission statement and guiding principles, considering a range of topics, including: (i) the concepts articulated by the elements of "culture", "democratic life", "leadership", "cost-effective", "innovative" and "quality"; (ii) the nature of the Corporation's role vis-à-vis Canadian culture; (iii) the difference between the Corporation's mandate and mission; (iv) the metrics for evaluating performance; and (v) the nature and extent of the feedback obtained, both internally and externally.

The discussion concluded with the Board endorsing the overall direction of both the mission statement and the guiding principles, while acknowledging that the comprehensive long term strategic framework would be subject to Board review and approval at the conclusion of the process.

IN CAMERA

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

ADJOURN

The meeting was adjourned at 6:00 p.m. on May 11, 2010.

The meeting resumed at 12:00 noon on May 12, 2010.

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.

SARTEC Mandate
The Committee was briefed on the circumstances surrounding the up-coming negotiations with the Société des auteurs de radio, télévision et cinéma (SARTEC) which will focus primarily on establishing rules for the distribution of content on multiple platforms, and on sales and rebroadcasts of programs, similar to the negotiations with UDA. The specifics of the proposed negotiating mandate were reviewed and endorsed by the Committee. 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 SARTEC collective agreement with Radio-Canada, in accordance with the terms and conditions outlined in the document, a copy of which shall remain filed with the original of these minutes as Exhibit 1.

MOTION CARRIED

ACTRA Mandate
The Committee was also briefed on the framework for the negotiation with the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA), with particular reference to the relevance of the new music strategy in this negotiation. The specifics of the proposed negotiating mandate were reviewed and endorsed by the Committee. 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 ACTRA scale agreement, in accordance with the terms and conditions outlined in the document, a copy of which shall remain filed with the original of these minutes as Exhibit 2.

MOTION CARRIED

Evaluation of President and CEO's Performance 2009-2010
The President and CEO withdrew from the meeting. Ms. Laviolette outlined the factors leading to the Committee's recommendation and provided additional context regarding the process established by the Privy Council Office to determine compensation for Crown Corporation CEOs. Full particulars of the President and CEO's evaluation and the relevant circumstances were provided to all Board members. After discussion, the Board adopted the Committee's recommendation. s.19(1)

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 for the President and CEO for the 2009-2010 performance cycle.

MOTION CARRIED

The President and CEO rejoined the meeting.

President and CEO's Objectives for 2010-2011
A copy of the President and CEO's objectives for 2010-2011 was distributed to all Board members. The Committee discussed each element of the objectives in detail at its meeting and recommended approval of the objectives as submitted. Further discussion ensued at the Board meeting and the President and CEO articulated, for the benefit of Board members, the rationale for the objectives selected and their relative priorities.

During the course of the discussion, a Board member inquired whether the President and CEO's objectives should include an element referencing the relationship between the President and CEO and the Board of Directors. A consensus developed that it would be more appropriate for the Nominating and Governance Committee to provide separate feedback to the President and CEO on this subject. As a result, it was agreed that the matter would be referred to the Nominating and Governance Committee for consideration at its June meeting.

After careful consideration, the Board adopted the Committee's recommendation to approve the President and CEO's objectives as submitted.

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 President and CEO's objectives for the 2010-2011 fiscal year, a copy of which shall remain filed with the original of these minutes as Exhibit 3.

MOTION CARRIED

John Young joined the meeting in progress.

Compensation Planning Recommendations for SET Members
Full particulars of the individual salary and incentive recommendation for the members of the Senior Executive Team were presented to the Committee and to the Board. Ms. Laviolette responded to questions from the Board on: (i) the method used to calculate the value of the pension benefit; and (ii) the experience with respect to incentive payout levels in prior years.

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 for CBC/Radio-Canada for the 2009-2010 performance cycle.
>
> **IT IS RESOLVED THAT** on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves salary increases of

MOTION CARRIED

Long Term Incentive Program (LTIP) for Key Executives
The Committee discussed the proposed plan and Ms. Laviolette summarized, for the benefit of Board members, the issues still to be finalized, which relate to ensuring the LTIP is properly aligned with the long term strategic planning process. The Chair of the Committee reported that he expects the Committee to finalize the remaining specifics of the LTIP for presentation to the Board for approval in June.

Ms. Laviolette withdrew from the meeting.

<u>AUDIT COMMITTEE REPORT</u>

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

CFO Report
Suzanne Morris presented her report to the Committee highlighting the following: (i) preliminary high level operating results as at March 31, 2010, on a budgetary basis together with a preliminary estimate of the year-end results on a GAAP basis; (ii) the recent Supreme Court of Canada decision on the Corporation's liability for Montreal municipal taxes; (iii) enhancements planned for the Corporation's MD&A reporting, both for the Annual Report and as part of the new quarterly reporting requirements; (iv) IFRS Conversion and Quarterly Reporting; (v) recent economic highlights; (vi) LPIF and CMF developments; and (vii) proposed key 2010-2011 Finance priorities.

Other Reports
The Committee also received the following reports: (i) Monthly Financial Management Report; (ii) Update on the IFRS Conversion Project; and (iii) Update on the Annual Attest Audit.

Internal Audit Plan for 2010-2011
The Committee approved the revised Internal Audit Plan for 2010-2011.

Report on CBC/Radio-Canada Pension Plan
The Committee received a comprehensive presentation on the 2009 report of the Plan on behalf of the Chair of the Pension Board of Trustees, covering 2009 Financial and Performance Highlights, 2009 Activities, and 2010 Objectives.

Portfolio, Program and Project Management – Process Review
The Committee received a report on the project, a joint initiative of management and Internal Audit, outlining the project objectives, scope, approach and methodology employed, general observations, key strengths identified, specific findings and recommendations. The Capital Executive Team will develop the detailed action plan and oversee its implementation, with the first phase commencing in 2010-2011. A further update will be provided to the Committee in November 2010.

SX Camera Replacement Project
The Committee was briefed on the particulars of the project, its objectives and rationale, the financial terms, the nature of the relationship with the supplier, and the project governance and reporting requirements. After discussion, the Committee recommended approval of the project. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded

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

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee the Board of Directors hereby authorizes the Corporation to proceed with the SX Camera Replacement Project, for a total cost not to exceed over a four year period, commencing in 2010-2011 and to enter into agreements with the selected supplier (Sony) for the supply of cameras and peripheral equipment, 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 1.

MOTION CARRIED

Contract With Hogg Robinson Group (HRG) Travel Agency
The Committee approved the exercise of the second renewal option of the contract with HRG for travel agency services, after being fully briefed on the terms of the renewal and the advantages to CBC/Radio-Canada. The Committee was also informed that management plans to proceed with an RFP for travel agency services in 2011 in preparation for the conclusion of this renewal term.

REAL ESTATE COMMITTEE REPORT

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

Update on Real Estate Initiatives
Management reported that the lease agreements with Disney Canada Ltd. and Boston Pizza for space in the Toronto Broadcast Centre have been signed, as has the agreement with the YMCA regarding the joint application for site plan approval and a development permit for the combined site located on Sackville Street in Halifax.

A potential leasing opportunity for the Toronto Broadcast Centre is in the preliminary exploration stage.

Presentation on Real Estate Direction and Challenges
The Committee received a comprehensive presentation on the Corporation's real estate portfolio, detailing the current state of the facilities, the maintenance deficit and related funding challenges, and the plans and proposals to begin to address the situation. A copy of the presentation was also distributed to all Board members for information.

CONCLUDE

There being no further business to discuss, the meeting concluded at 2:00 p.m.

CBC Radio-Canada

June 17, 2010

Senior Vice-President, Corporate Strategy and Business Partnerships

Driving Towards 2015: Update on Strategic Directions

To:

Linda Black
Edward Boyd
Tim Casgrain
Peter Charbonneau
George Cooper
Hubert T. Lacroix
Patricia McIver
Brian Mitchell
Rémi Racine
Edna Turpin
John Young

cc:
Bill Chambers
Sylvain Lafrance
Francine Létourneau
Richard Stursberg
Suzanne Morris

At the May 11 Board meeting, we committed to come back to the Board with the following three key pillars of the strategy:

- **Program genre priorities**
- **Regional Strategy**
- **Platform Strategy**
    - which includes both linear platforms, like specialty services, and
    - non-linear platforms, like Tou.tv.

We will also review the updated Mission statement and the related metrics.

The attached meeting material covers these aspects.

CBC/Radio-Canada Mission Statement

"***CBC/Radio-Canada will be the recognized leader in expressing Canadian culture and will enrich the democratic life of Canadians***"

You will recall that at the May meeting we presented to you an update on the strategic planning process. Our key focus at that time was on the newly crafted Mission statement, the related guiding principles and the metrics we are proposing to use to track the evolution of services and program genres over time.

Since then considerable work has been done with a view to test and clarify the wording of the Mission in light of the comments you provided. You will note that, as a result, changes were introduced. We will present at the meeting an overview of the focus groups that were conducted to help make the statement better understood and meaningful.

Program Genres Priorities

The strategic directions before you today include an overview of the future program directions of both English and French medias. Programming is at the core of our business, so no strategy would be complete without this key element.

This section also introduces a commitment, on a yearly basis, to events that are defining for a public broadcaster. At least 10 of these multimedia events will be presented annually by each Media.

We hope the Board will engage in a significant way in the discussion of our future program activities.

We have included in your package the television program schedules of both CBC Television and La Télévision de Radio-Canada for the Summer and Fall 2010 and for Winter 2011.

Regional Strategy

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

Reflecting the Regions and providing news/information that is relevant at the local level is central to the role of CBC/Radio-Canada and a key element of our mandate under the Broadcasting Act. However, we have to be much more than a provider of news in reflecting the Regions.

Both English and French Medias have taken steps to modernize and increase the relevance of our regional services. News integration across Media and the development of and experimentation with new operating models are prime examples of how we are progressing on this front.

Nevertheless, we must continuously adapt to changing demand and population shift; face fierce competition from private broadcasters, especially in television; deal with mounting costs; and, modernize the way we operate in the Regions.

Our challenges are no different than those faced by other major broadcasters as they are pursuing flexibility and efficiency in their operations and in how they serve their regions.

The discussion we would like to have with the Board centers around how our regional strategy will evolve to a multimedia presence; how we will select market for growth to strengthen our viewership position; and, lead expansion in new markets.

Platform Strategy

"***CBC-Radio-Canada commits to delivering its content on the multiple platforms that will be relevant to Canadians in 2015 and beyon***"

Audiences are embracing new platforms and demanding more flexibility as to how and when they will interact with content. This has lead to time –shifting of television viewing through PVRs and VOD and increased demand for mobile viewing. The recent deal between Rogers and CBC Television is a prime example of how demand for prime content on new platforms, like the 2010 FIFA World Cup, gives rise to new business opportunities. The instant success of Tou.tv, launched by Radio-Canada, which allows the viewing of prime TV series on-line, is another clear indication that the demand for content delivered on-demand is growing rapidly.

Yet, for all these changes in media consumption, traditional linear medium like television and radio continue to dominate and will continue to do so for quite some time. Our challenge is to continue to sustain the success of our Television and radio networks while we must invest to grow existing platforms and expand on new platforms.

At the meeting, we will discuss how to maintain and grow our leadership position on the new digital platforms and what is our strategy for linear television platforms like specialty services.

Next Steps

Finally, we will discuss the steps forward and how we plan to bring back to the Board an integrated and costed strategy at its September meeting. Choices will need to be made to ensure we have the means to undertake these new initiatives as we deal with our on-going financial challenges.

The Board should be aware that work is underway with regards to how we can expand our revenue base; how we can be more cost efficient in our operations; and, how we can adjust our capital assets base to future needs.

Looking forward to an interesting discussion.

Michel Tremblay

CBC Radio-Canada

SUMMER 2010

AND

FALL-WINTER 2010-2011

ENGLISH AND FRENCH

TELEVISION SCHEDULES

OF

CBC/RADIO-CANADA

Pages 235 to / à 239

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68.1

of the Access to Information Act

de la Loi de l’accès à l’information

Driving Towards 2015: Long-Term Strategic Planning

Update on Strategic Directions

CBC/Radio-Canada Board of Directors
June 22/23, 2010

Agenda

- **Introduction/overview**
- Mission metrics
- Program genre priorities
- Regional strategy
- Platform strategy
- Next steps

CBC Radio-Canada

Objectives for today

- Provide an update on key strategic directions where the Working Team and Steering Committee have established clear direction
- Solicit your feedback on the emerging overall strategy
- Outline path forward for the strategy process

The corporate strategic plan will provide guidance to overall direction for CBC/R-C

	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 **viewers** 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

Driving to 2015: the integrated strategy continues to take shape

1. CBC | R-C mission / promise

CBC/R-C 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
- Effectively **engaging 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 drama/entertainment** programming
- Annual commitment to **'event' programming**

3b. Platforms / position

- **Maintain/enhance** position and audience reach in **conventional broadcast TV & radio**
- **Expand reach of CBC/R-C 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

The strategy incorporates seven primary initiatives

1. Mission framework, Guiding principles and delivery assessment
2. Programming genre priorities
3. Regional strategy
4. Platform strategy

Largely complete – today's focus

5. Advertising/monetization full potential
6. Operating cost efficiency (production & support)
7. Capital assets & production culture

To be covered at next Board update

Where we are now…

- **Jun 8:** Meeting of the Senior Executive Team - <u>Completed</u>
- **Jun 14:** Discussion with Board Strategic Committee - <u>Completed</u>
  First meeting of Capital Assets Review Team - <u>Completed</u>
- **Jun 22/23:** **Discussion with Board**
- **Jun/Jul:** Establish teams to take forward development of initiatives
- **Aug 5:** Steering Committee meets to prepare September Board
- **Early Sep:** Meeting of Board Strategic Planning Committee
- **Sep 21-22:** Board meeting - presentation of integrated strategy

Agenda

- Introduction/overview
- **Mission metrics**
- Program genre priorities
- Regional strategy
- Platform strategy
- Next steps

Mission Framework - Update

- At the last meeting of the Strategic Planning Committee, and at the May Board, there were extensive discussions of the concepts behind the mission statement and its wording

- Since then we have conducted further focus groups and reviewed the matter

- As you will see from the next slide, we are recommending a change to the wording, which is highlighted. We believe it is more action oriented, responds to comments of Board members and factors in the results of the focus groups

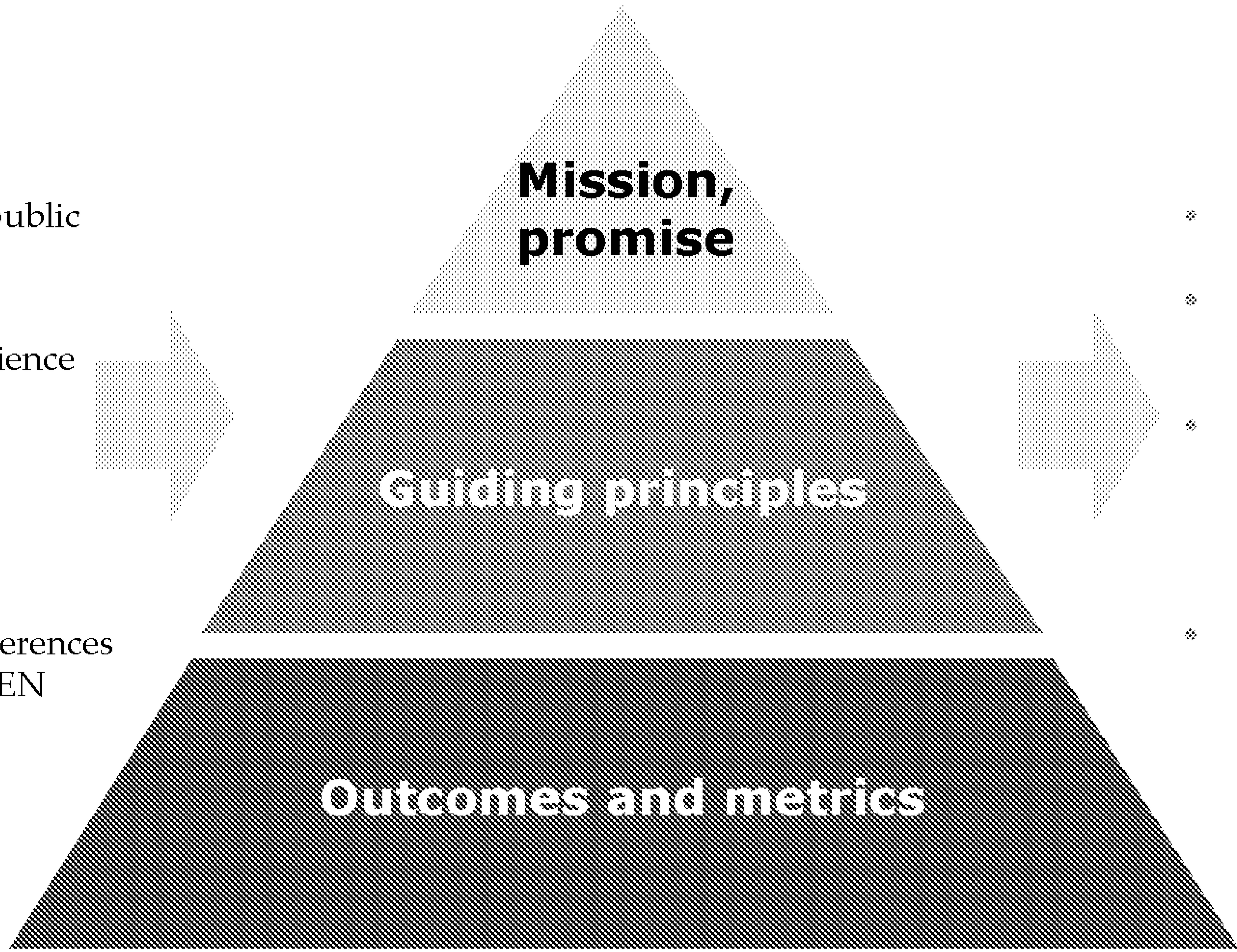
- We must keep in mind the public and other key stakeholders of Government, our senior executives, managers and employees and the CRTC to which we must communicate our strategy. We believe this statement will resonate with them

Mission framework features three levels of definition to guide strategy and focus activities

Mission Framework

Inputs

- Mandate and public policy
- Canadian audience needs
- Competitive environment
- Distinctive differences between FR & EN markets



Impact

- Guides strategy
- Defines service priorities
- Serves as "prism" to inform ongoing and future decisions
- Sets expectations for performance

CBC/R-C mission/promise to Canadians

CBC Radio-Canada

CBC/R-C 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
- Effectively **engaging audiences**
- Being **cost-effective and accountable**

To deliver on this mission, CBC | R-C services must align with guiding principles

Mission: Express Canadian culture and enrich democratic life through …

… original, innovative, quality Canadian content …	… that reflects and draws together Canadians …	… effectively engaging 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** • Committing to 'event' programming	• Contributing to **shared national identity** & social cohesion • Reflecting Canada's **multicultural and multilingual diversity** • Reflecting **the regions** to themselves and to the country • Contributing to **diversity of voices**	• **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: (see above)

Providing high public value to Canadians

The mission and guiding principles address all components of the Broadcasting Act

Express Canadian culture and **enrich democratic life** through...

... original, innovative Canadian content ...

- 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**
- Committing to 'event' programming

... that reflects and draws together Canadians ...

- Contributing to **shared national identity** & social cohesion
- Reflecting Canada's **multicultural and multilingual diversity**
- Reflecting **the regions** to themselves and to the country
- Contributing to **diversity of voices**

... effectively engaging audiences ...

- **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

... while being cost-effective and accountable

- Delivering our services in the **most efficient manner**
- Ensuring the **economic sustainability** of our services
- Optimizing the percent of **funds** spent on **content**

1991 Broadcasting Act:

- "...the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a **wide range of programming** that **informs, enlightens** and **entertains**

- The programming provided by the Corporation should
  - Be **predominantly** and **distinctively Canadian**
  - **Reflect Canada** and its regions to national and regional audiences, **while serving the special needs of those regions**
  - Actively contribute to the **flow and exchange of cultural expression**
  - Be in English and in French, reflecting the **different needs and circumstances of each official language community**, including the particular needs and circumstances of English and French linguistic minorities
  - Strive to be of **equivalent quality** in English and French
  - Contribute to **shared national consciousness and identity**
  - Be made available **throughout Canada** by the most **appropriate and efficient means** and **as resources become available** for the purpose
  - **Reflect the multicultural and multiracial nature of Canada**

Source: Broadcasting Act, 1991
Note: Bold emphasis inserted

Mission Metrics - Update

- As you will see in the next slide, we have introduced considerable definition to the weighting of the guiding principles. This was done after extensive discussions with our audience research experts

- Each of the main factors has been given an equal weight (33%) because we believe they are of equal importance. Sub-factors were then given a relative weight within each category

- These factors are at the base of the "bubble charts" that are designed to provide an illustration of where our broad program genres and services sit in relation to the guiding principles

- It should be noted that the ''Bubble charts" contained in this document are **preliminary**, in case of Services, and for **illustration purposes only** at genre level, as not all the necessary data has been assembled yet

The metrics will become a regular measure of the effectiveness of our programming

Metrics will cover genres and services

- Content **genres**
  - **Slightly different for EN & FR**, 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, varietes, dramatique
- Measurement at **service level**
  - **Conventional TV**
  - **Specialty TV** channels (CBC NN, RDI, bold, doc, ARTV)
  - **Radio** (Radio 1, 2, 3, Premiere Chaine, Espace Musique, bandeapart, Sirius)
  - **Digital** (cbc.ca, r-c.ca, tou.tv, podcasts, mobile)
- <u>Not</u> 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 EN and FR 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 metrics balance weights across pillars, and output & perception scores…

s.18(b)

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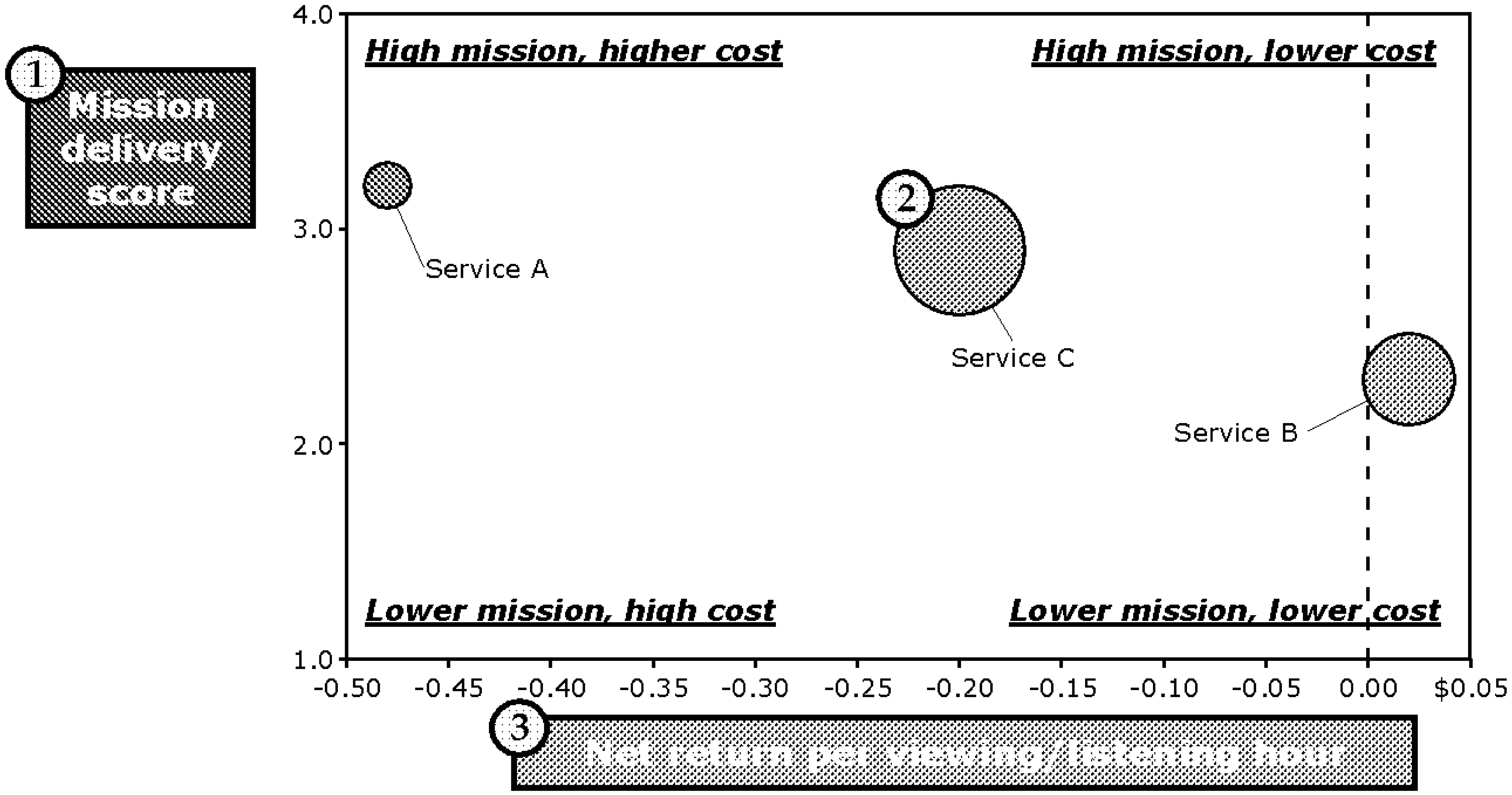
… which allows insight to three key attributes of our portfolio

Note: Services A, B and C below are illustrative



- This allows a view of the relative **mission delivery** and **economics** of different components of our portfolio
- To be used to **support discussions** amongst senior executives and Board, not to be applied at individual program level
- We intend to use these metrics to
  - Define current state performance
  - Track progress over time
  - Help inform resource allocation decisions

1. Position on y-axis describes measure of **delivery on CBC/R-C mission** components…

2. … with exception of **audience** which is described by the bubble size

3. The **economics** of programming are described by x-axis – bubbles to right of the dotted line contribute positive returns; figures to the left describe amount of subsidy needed to deliver one audience member for one hour – which reflects the dynamics of costs, revenues generated and audience attracted

A0023093_26-000256

s.68.1

This will help define service and resources to maximize value provided to Canadians at service level [EN]...

s.68.1

This will help define service and resources to maximize value provided to Canadians at service level [FR]...

s.18(b)

...and also at a genre level [EN]

…and also at a genre level [FR]

s.18(b)

Agenda

- Introduction/overview
- Mission metrics
- **Program genre priorities**
- Regional strategy
- Platform strategy
- Next steps

Programming Genre Directions

- Programming is at the core of all our activities. It defines who we are and carries the brand we stand for
- A description of how we foresee the evolution of these genres over the next 5 years will be a central element in our strategy. It will provide a rationale to the choices we make in other areas
- The following section provides an overview of the priorities within key programming genres for EN and FR Services
  - EN: News & info (network); News & info (regional); Drama & entertainment; Kids; Sports; Smart talk; Music
  - FR: News & info; Regional; Drama; Culture/social; Music; Kids/youth; Sports
- In addition, we describe examples of event programming initiatives that will be undertaken on a yearly basis by each service

EN Media: Programming genre priorities (1 of 5)

Genre	Future trajectory/ current share of spend	Current situation	2015 aspirations	Strategic actions

s.68.1

EN Media: Programming genre priorities (2 of 5)

Genre	Future trajectory/ current share of spend	Current situation	2015 aspirations	Strategic actions

s.68.1

EN Media: Programming genre priorities (3 of 5)

Genre	Future trajectory/ current share of spend	Current situation	2015 aspirations	Strategic actions

EN Media: Programming genre priorities (4 of 5)

s.68.1

s.68.1

EN Media: Programming genre priorities (5 of 5)

s.68.1

FR Media: Programming genre priorities (1 of 3)

Genre	[illegible]	Current situation	2015 aspirations	Strategic actions

s.68.1

FR Media: Programming genre priorities (2 of 3)

Genre	Future emphasis; current share of spend	Current situation	2015 aspirations	Strategic actions

FR Media: Programming genre priorities (3 of 3)

Genre	Future emphasis; current share of [illegible]	Current situation	2015 aspirations	Strategic actions

s.68.1

‘Event Programming’ on a yearly basis will be a key component of the CBC/R-C offer

Distinctive ‘Event Programming’ has important benefits for CBC/ R-C and our audience

These suggest three key criteria for green-lighting potential ‘events’

A Few Examples of Event Programming – English Media

s.68.1

A Few Examples of Event Programming – French Media

s.68.1

Agenda

- Introduction/overview
- Mission metrics
- Program genre priorities
- **Regional strategy**
- Platform strategy
- Next steps

Regional strategy is critical to CBC I R-C and the Corporate Strategy

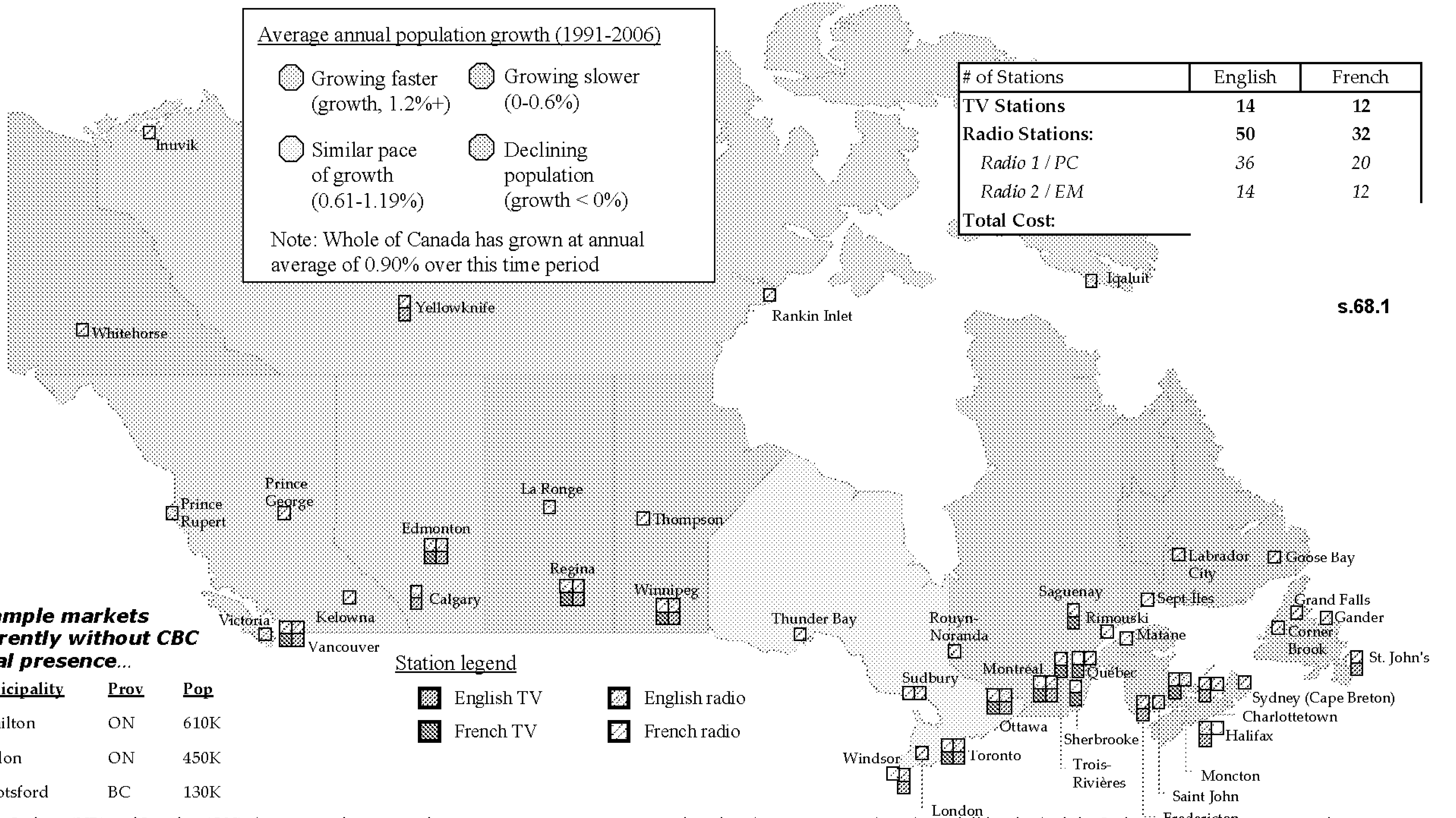
- Reflecting regions and providing news/information that is relevant at a local level is **central to the role of CBC/R-C**
  - Key part of mandate
  - Importance reinforced in public surveys

- Both EN and FR Services display **mixed performance** in regional programming

s.68.1

- Both EN and FR Services have taken **important recent steps to modernize and increase relevance** of regional services

Current CBC I R-C footprint…



# of Stations	English	French
TV Stations	**14**	**12**
Radio Stations:	**50**	**32**
Radio 1 / PC	*36*	*20*
Radio 2 / EM	*14*	*12*
Total Cost:		

s.68.1

Example markets currently without CBC local presence…

Municipality	Prov	Pop
Hamilton	ON	610K
London	ON	450K
Abbotsford	BC	130K

Note: Sydney (NB) and London (ON) shown as radio stations because unique programs are produced in the center, even though not full local schedule; Saskatoon (SK) not categorized as station as does not produce complete unique programs, only fractions of regional programs

Source: CBC/R-C government relations station list (May 5, 2010), Statistics Canada Census population by province 1991, 2006

s.68.1

After years of decline, competitive position in CBC TV viewing has been improving…

… although both EN and FR Services still trail competitors by a significant margin today

s.68.1

CBC Radio-Canada

Markets are being served with stations which are not consistently tailored to the market conditions

EN Services			FR Services		
Vancouver Halifax Winnipeg Toronto	Montreal St. John's Calgary Yellowknife		Montreal Moncton Quebec Ottawa		
Edmonton Ottawa Regina Fredericton	Windsor Charlottetown		Winnipeg Toronto Vancouver Regina	Edmonton Saguenay Rimouski Sherbrooke	Trois-Rivières
Iqaluit Whitehorse Sudbury Thunder Bay Quebec City Victoria Saint John	Northern Quebec Sydney Labrador Corner Brook Rankin Inlet Saskatoon Grand Falls	Gander Goose Bay Kelowna Moncton Inuvik Prince George Cambridge Bay Prince Rupert	Matane Sudbury Sept Îles Rouyn-Noranda		
No current examples			Windsor		

Note

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

There is also considerable variation in the cost to deliver local/regional programming across Canada

Current initiatives of EN/FR Services reflect evolving technologies and market challenges

s.68.1

EN Services initiatives	FR Services initiatives

A0023093_51-000281

Similar to CBC I RC, peers in private sector and public service are pursuing flexibility and efficiency

PSB peers

BBC (UK)

- Maintain strong presence and service to regions in face of cost pressures
- Plans to invest £68M in network of 60+ local video websites shelved due to expense relative to public value and potential impact on commercial rivals
- 2009 **MOU signed with key competitor** (ITV) to explore sharing of newsrooms and studios
  - ITV **estimates savings of ~13%**

France Televisions

- Seeking to **increase production flexibility** and potential for cost efficiency by reducing number of regional locations
- Moving from 23 regional service locations to greater use of "hubs" in ~8 locations
- Plan is to increase flexibility of production with fewer locations

ABC (Australia)

- Increasing local presence with launch of online service across country
- Launch of **local online news in 53 markets** across country
- Overlaps with network of 45 local radio stations
- Budgeted at A$15M for 2009
- Continue to maintain eight regional TV news shows at territorial level

Private sector examples

ABC (US)

- Making efforts in recent months to **increase flexibility** of job roles
  - Training all producers as 'digital reporters' to replace full newsgathering crews
- Additional operating cost reduction initiatives include:
  - **Leveraging digital tools** such as Skype over satellite trucks
  - **Centralizing assignments** to larger centres such as New York, rather than remote bureaus

CBS (US)

- Reducing workforce through attrition, by pursuing efficiencies and improvements in newsgathering and production resources
- **Opportunity being investigated to partner with CNN** to leverage newsgathering resources across the US and internationally

Other US Broadcaster

- Pursued workforce reductions in radio division in 2009, primarily in engineering, IT and programming
- Redesigned large station network to an **integrated network of regional hubs and local stations**
- Significantly reduced cost of local stations by **remotely producing** significant portion of local programming schedule

Source: Stelter, Brian *Job cuts at ABC*, NY Times (May 1, 2010); Schechner, Sam *CBS News Job cuts* (Feb 3, 2010); Bain experience;

s.68.1

Regional strategy emphasizing multimedia nature of service is a natural evolution

s.68.1

Four areas of the strategy drive increases and decreases in costs of regional service

s.68.1

Markets will shift to a multimedia presence while also playing a role in a more integrated network

There are a number of criteria to consider in specific local/regional service decisions

s.18(b)

Local population	•
Regional population	•
Political & cultural factors	• •
Competitor presence	• •
LPIF	•

CBC Radio-Canada

Overall, we expect to increase total # of local markets served and adjust type of presence in others

s.18(b)

Beyond service changes, investments to drive share and online infrastructure are anticipated

s.18(b)

This strategy requires effective management of several cost reduction initiatives

s.18(b)

Regional strategy: Risk assessment summary

s.18(b)

Risk factor	Description	Steps to mitigate risk/other considerations
Execution risk:		
Audience reaction:		
Other stakeholder reactions:		
LPIF:		

Recap: key elements of regional strategy

Agenda

- Introduction/overview
- Mission metrics
- Program genre priorities
- Regional strategy
- **Platform strategy**
- Next steps

Media consumption has changed within linear TV and is moving to non-linear platforms for video/audio

- **Specialty TV audiences now represent ~60%** of the total for linear TV, in which the audience fragmentation continues in FR but slows down in EN
  - **Profits are shifting away** from conventional TV in both languages
- **Audiences are also embracing new, more flexible/on-demand platforms**
  - **TV** is moving to time-shifted (PVR/VOD), online TV and mobile viewing
  - **Radio** is eroding at 2%/yr, while digital substitutes are growing at 5-10%/yr s.18(b)
  - **Online**, Cdns (especially 18-34) have increased use of social media/UGC
- Overall, traditional **linear TV and radio** are expected to **continue to dominate** consumption
- **Advertisers are following the audience,**

CBC | R-C is present on a large number of linear and non-linear platforms : 25+ different services

s.18(b)

Strategy supports delivery of CBC | R-C content across multiple platforms, with emphasis upon digital growth

CBC/R-C commits to delivering its content on the multiple platforms that will be relevant to Canadians in 2015 and beyond

s.18(b)

1. **Strengthen/grow the competitive position of the existing multi-platform offering**
   -
   -
   -

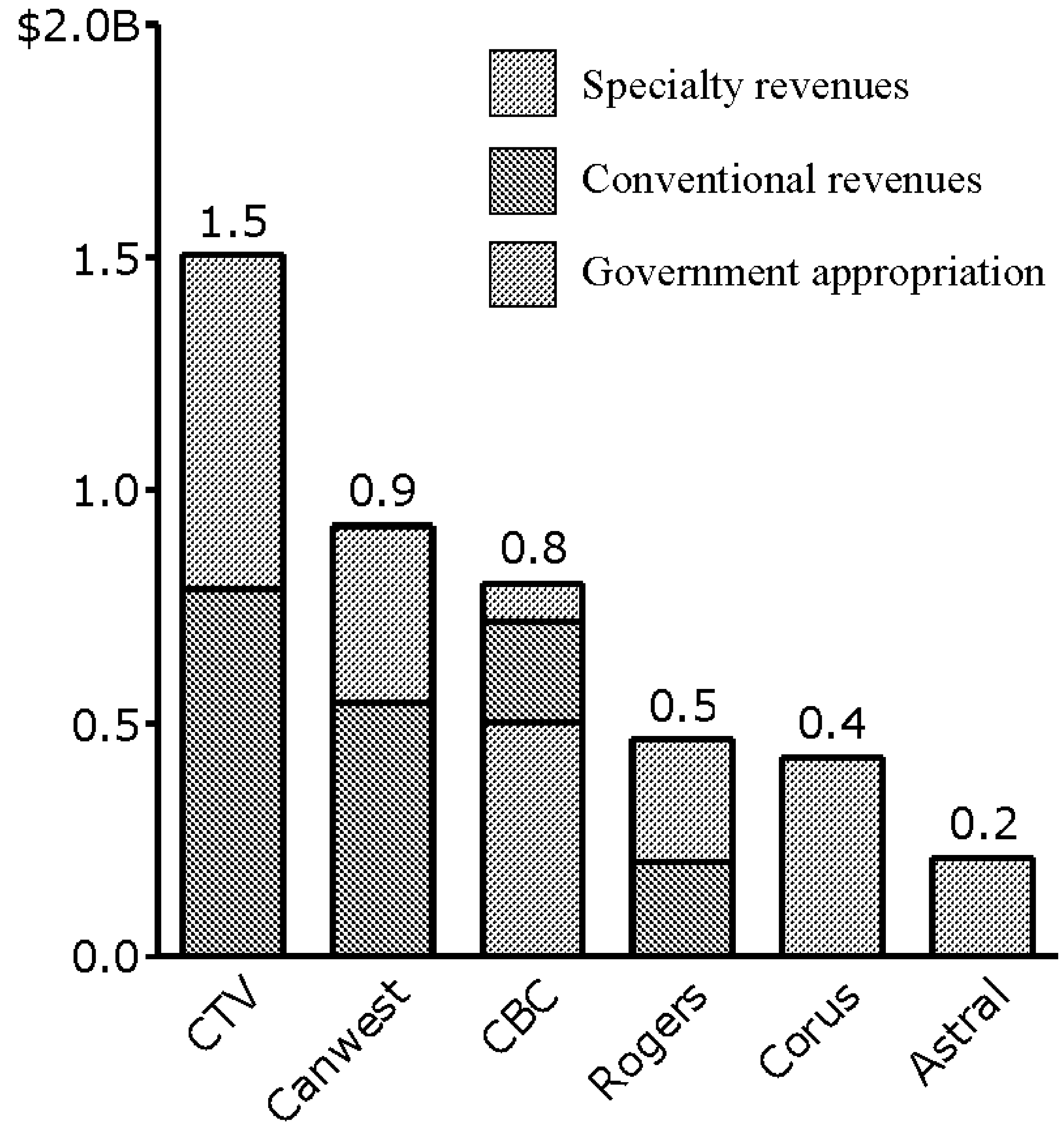
2. **Build a full suite of branded multi-platform Canadian destinations**
   -
   -

3. **Pursue expanded partnering opportunities** to enhance CBC | R-C existing set of properties
   -
   -

CBC and R-C have low specialty revenue compared to others

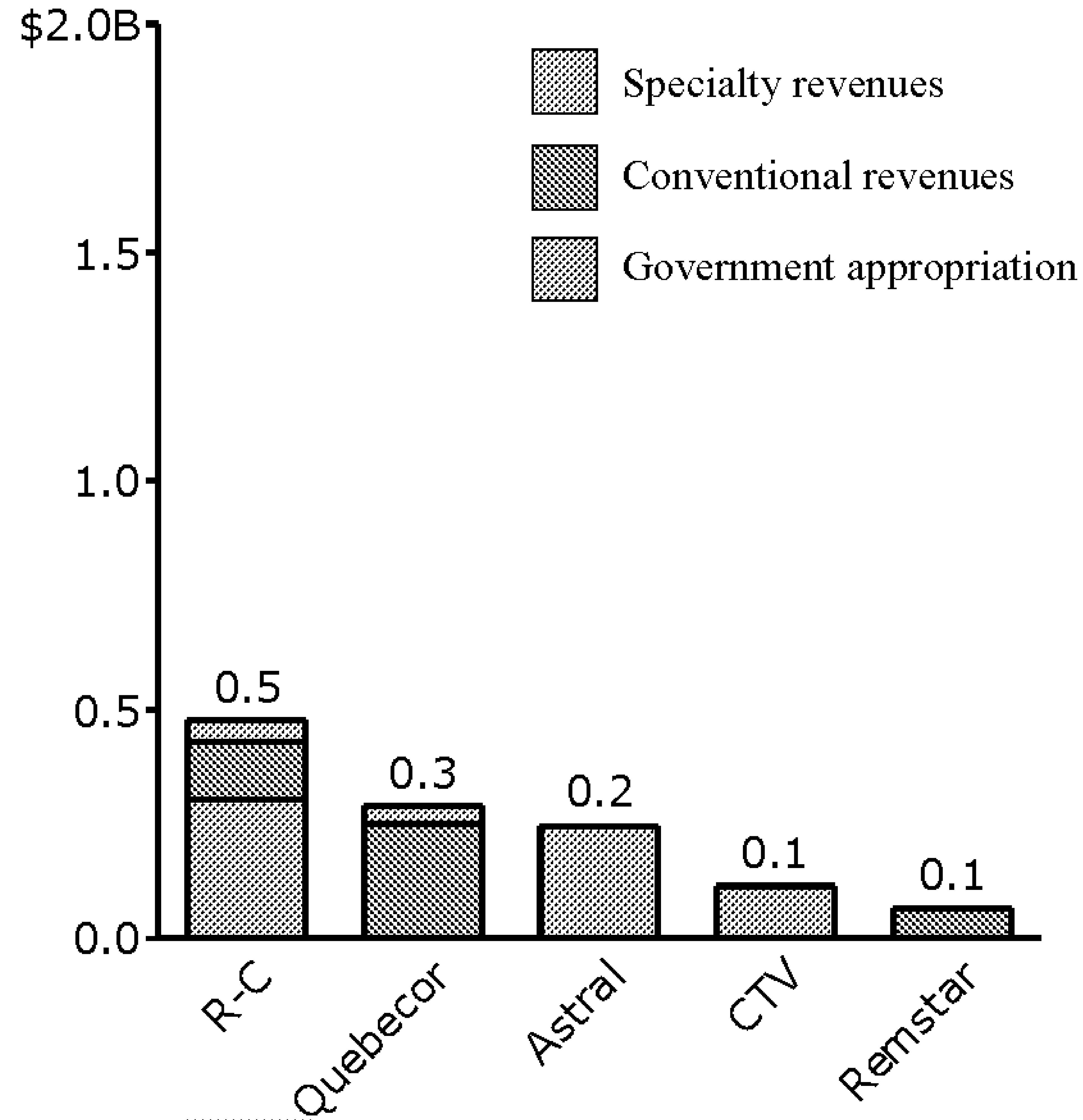
Spec TV

English TV broadcast revenues (08-09 FY)



Spec rev as % of total:	48%	41%	10%	57%	100%	100%

French TV broadcast revenues (08-09 FY)



Spec rev as % of total:	10%	13%	100%	100%	0%

Source: CBC | R-C annual report (08-09 FY); CRTC competitor filings (08-09 broadcast year)

s.18(b)

EN & FR Services will take market specific approaches to developing specialty presence

Spec TV

PSB peers and Canadian competitors are also pursuing digital initiatives

Digital

Global PSB peers are adapting to digital, together with distributors

BBC

- Future Media & Technology structure to work across BBC
- Development and heavy marketing of iPlayer to access BBC content online
- Leadership role in Project Canvas to develop open IPTV platform

France Television

- Member of Hybrid Broadcast BB TV initiative to develop European standard for hybrid set-top boxes

Australian Broadcasting Corp.

- Created separate New Media and Digital Services division

Aggressively developing digital organization & experimenting with new tech/content

Canadian broadcast competitors have yet to stake out major claims

CTV and Global

- Conventional and specialty TV content available for free online and on VOD
- Appear to own the rights to most of their popular Cdn content
- Global strategy will likely be impacted by Shaw's purchase and VOD focus

TVA

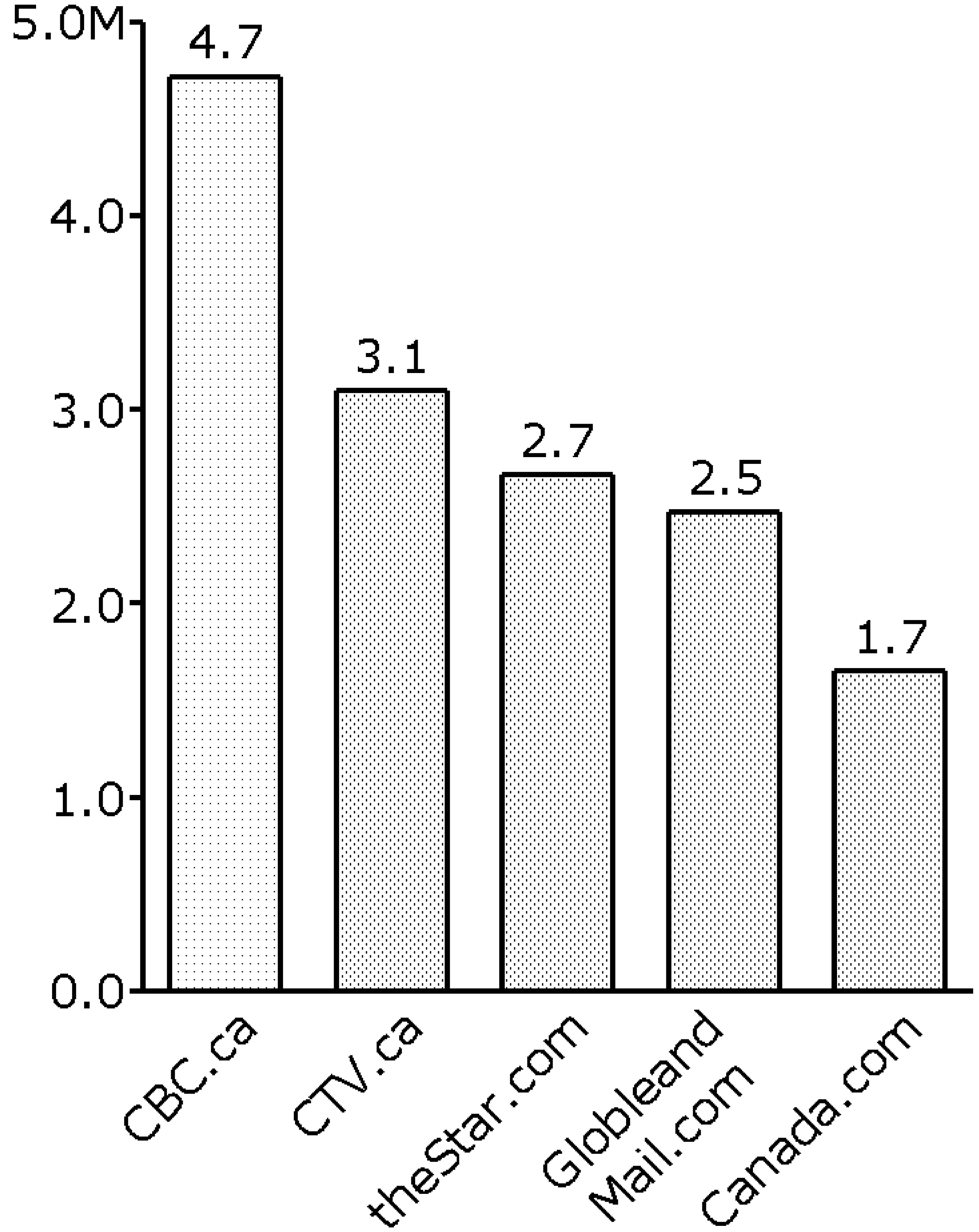
- Focused on feeding content to Quebecor-owned platforms
  - Canoe (web) and Illico (VOD)
- Quebecor is making large investments in building a mobile network to converge with fibre optic network

Opportunity for CBC|R-C to lead the way and build a strong position in new media platforms

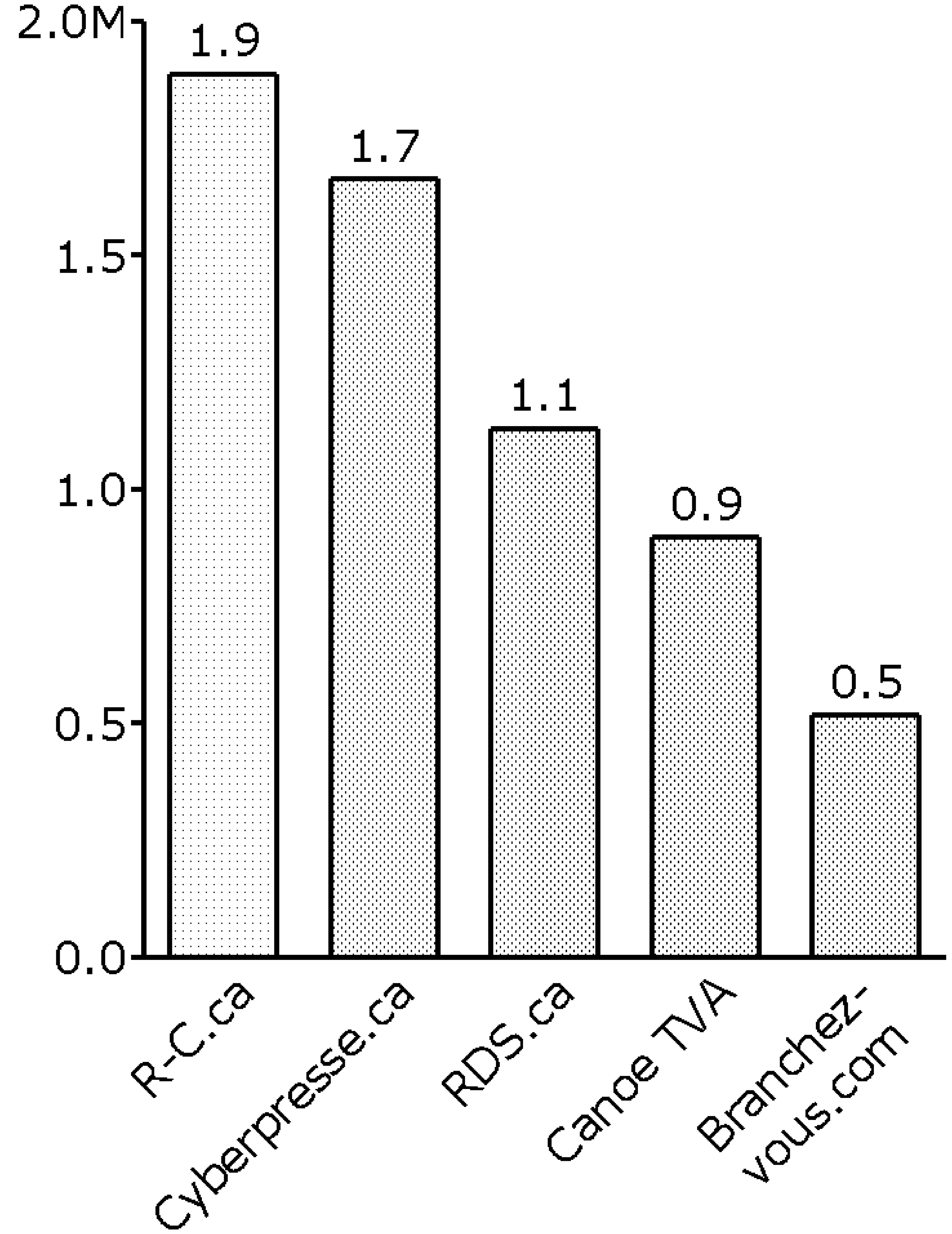
Both CBC and R-C lead their domestic peers in terms of unique visitors to websites

Digital

EN Internet unique visitors (Sep 2009)



FR Internet unique visitors (Oct 2009)



Source: Comscore (content companies websites)

EN & FR digital strategy can be based on similar underlying "blueprint" for service offerings

s.18(b)

Digital

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

Five year EN and FR digital expenditure plans could have total

Digital

Recap: key elements of multi-platform strategy

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

Multi-platform strategy	Action implications for CBC|R-C

Agenda

- Introduction/overview
- Mission metrics
- Regional strategy
- Program genre priorities
- Platform strategy
- **Next steps**

Next steps

- **Jun 22/23:** **Discussion with Board**
- **Jun/Jul:** Establish teams to take forward development of initiatives
- **Aug 5:** Steering Committee meets to prepare September Board
- **Early Sep:** Meeting of Board Strategic Planning Committee
- **Sep 21-22:** Board meeting - presentation of integrated strategy

Annual Report 2009-2010

CBC/Radio-Canada

The Old Rules No Longer Apply:
Reshaping Canadian Public Broadcasting

DRAFT: June 16, 2010, 10:00 a.m.

2009-2010: Highlights of the Year

Programming Successes

English Services

- CBC Radio One and CBC Radio 2 achieved a combined national audience share — 13.8 per cent (Fall Survey, Canadians 12 years of age and older), with CBC Radio One matching its all-time high of 11.1 per cent.
- In measured major English-speaking markets, 21 of 22 CBC Radio One local morning shows were ranked first, second or third (Fall 2009 survey).
- CBC Television's 2+ regular season, prime-time audience share of 9.3 per cent was up from last year's 8.6 per cent, and its share of 25-54-year-olds rose from 7.0 per cent to 8.0 per cent. The network's overwhelmingly Canadian prime-time schedule continued to beat a key competitor's predominantly American prime-time schedule.
- *CBC.ca* — Canada's most popular English-language news and media site — averaged 4.8 million unique visitors monthly.

French Services

- Radio-Canada strengthened its regional presence by opening two new integrated stations in Sherbrooke and Trois-Rivières, giving residents of Mauricie and the Eastern Townships access to local news and programming everyday.
- Première Chaîne morning shows in Montréal, Québec City and Ottawa ranked second or third in fiercely competitive regions.
- Two of Radio-Canada's Twitter channels ranked among the Québec top 10.
- Launched in January 2010, TOU.TV is Canada's largest French-language entertainment Web television site, recording over 745,000 connections in its first week. It now reaches over half a million unique French speaking visitors, for a seven per cent reach.

Other Broadcasting Activities

- CBC News/RDI Express, the Corporation's bilingual news and information service for airports, launched in Winnipeg and Edmonton, augmenting its service in Ottawa, Toronto and Vancouver.
- Sirius Canada, in which the Corporation is a partner, completed the year with over one million subscribers. CBC/Radio-Canada has six channels on Sirius Canada.

The Financials in an Uncertain Time

For the year ended March 31	[illegible]	[illegible]
	(thousands of dollars)	
GOVERNMENT FUNDING AND REVENUES		
Parliamentary appropriation for operating expenditures	1,017,587	1,070,137
Amortisation of deferred capital funding and working capital	125,086	115,355
Advertising revenues	309,255	356,248
Other income, financing income and specialty services	258,426	255,904
Total	**1,710,354**	**1,797,644**
EXPENSES		
Television, radio and new media services costs	1,461,756	1,475,919
Other	328,463	371,795
Total	**1,790,219**	**1,847,714**
Non-operating revenues	**21,566**	**34,374**
Net results for the year	**(58,299)**	**(15,696)**

The Challenge

- CBC/Radio-Canada's net loss of $58.3 million in 2009-2010 is primarily explained by weak advertising revenues that were unable to compensate for programming cost increases.
- The Corporation prudently managed its resources in 2009-2010 and will continue to do so in order to ensure financial sustainability within this environment of uncertain revenues and increasing production costs.

The Response

- CBC/Radio-Canada developed a Recovery Plan, cancelled or scaled back programming across our networks, and eliminated approximately 800 full-time positions, triggering $36 million in downsizing costs. The Corporation also sold $153 million of long-term accounts receivable.
- Together, these actions allowed CBC/Radio-Canada to achieve cost reductions related to operations.
- In recent months, the diminished advertising market has been slowly recovering to pre-recessionary levels, but remains fragmented.

The Future

- CBC/Radio-Canada will continue to focus on our three corporate priorities:
  - People — our key asset.
  - Programs — our core competency.
  - Pushing Forward — we will adapt to challenges and exploit opportunities.
- We are completing a strategic planning process, *Driving Towards 2015*, which will bring more clarity to our decision making and allocation of scarce resources, for the purpose of better serving Canadians with high-quality content whenever, wherever and however they want it. This will allow us to become an even more successful and vibrant national public broadcaster.

Message from the President and CEO

We just went through the perfect storm — an unprecedented convergence of short-term and long-term challenges.

And, as if that were not enough, our long-term challenges were accelerated by the global economic slowdown, which had already caused the television advertising market to stagnate by 2008-2009. All Canadian conventional broadcasters suffered.

Our long-term challenges came from the broken business model underpinning conventional television broadcasting in this country, a model that does not get fixed as the economy recovers. I will return to this later.

We Developed A Recovery Plan
A global economic downturn, rising rights costs, shifts in technology and consumer behaviour: these were factors beyond CBC|Radio-Canada's control. Our job in 2009-2010 was to effectively manage what we could control. To this end, we developed a Recovery Plan to address financial pressures of $171 million — about 10 per cent of our total budget.

The Plan required difficult decisions: working with our unions to minimise the impact of cuts, we eliminated approximately 800 full-time positions across the Corporation and cancelled or scaled back many television and radio programs. These cuts triggered downsizing costs of approximately $36 million, for a total impact of $207 million, or 11 per cent of our budget. To fund these costs and support programming until savings from the cuts materialised, we had to sell certain assets.

The cuts were painful for everyone, including our audiences. Yet, we kept all of our stations open across the country, allowing us to remain strongly rooted in the regions — an essential aspect of our mandate. In the end, our collective efforts paid off as we balanced our 2009-2010 budget while maintaining our regional presence and continued to attract a record number of Canadians to our programming.

Understanding Our Audiences
The remarkable success of our programming, despite significant financial pressures, confirms that we deeply understand what our audiences want and how to deliver it to them.

While other conventional broadcasters struggle to maintain audience levels, CBC Television's prime-time Canadian content continues to attract more viewers. *Heartland*, *Rick Mercer Report*, *CBC's Hockey Night in Canada*, and *Dragons' Den* regularly drew million-plus audiences, and *Battle of the Blades* — with between 1.5 and two million weekly viewers — was one of our biggest hits in recent memory.

Télévision de Radio-Canada maintained its strong position in prime time, despite ever-increasing competition from reality shows and specialty channels. *Les Parent*, *L'auberge du chien noir*, *Providence*, and *Tout le monde en parle* regularly attract audiences of one million-plus.

Our radio services continue their outstanding performance, maintaining their historical levels.

Every week, our Internet sites draw six million visitors, who download 1.2 million podcasts of our programs.

More of What Audiences Want

Our media teams have successfully planned and executed a multi-year renewal of our programming that is now bearing fruit.

Program renewal across all of our services has been driven by feedback from our audiences. They tell us that they want to see their lives, interests and sense of identity reflected in high-quality, engaging Canadian-made programs. Canadian content is at the core of our mandate, and we offer much more of it than any other broadcaster. In contrast to the English-language private sector's programming, which is primarily American, CBC Television's prime-time schedule is overwhelmingly Canadian. Domestic programming of unmatched diversity and quality also fills the prime-time schedule of Télévision de Radio-Canada.

The recent renewal of CBC News was also based on extensive audience research. Canadians told us that they wanted access to news, in whatever format they prefer, 24 hours a day, seven days a week, as well as more live coverage and ways to contribute. We are delivering on these preferences, and will continue to refine and extend our integrated news programming across all of our platforms.

Audience needs have also driven our introduction of new services. Illustrating this is our online service, TOU.TV, created by Radio-Canada and offering free, any time, anywhere access to more than 2,000 hours of programming from Télévision de Radio-Canada and 20 other French-language public broadcasters and production companies.

Success — Yet Financial Uncertainty Remains

In the wake of the recent financial crisis, we implemented plans to address the financial pressures. In 2009-2010, uncertainties about some of our revenue sources were resolved, but for other sources, the uncertainty remains.

CBC|Radio-Canada was subject this year to a Government Strategic Review evaluating programs and spending to identify the lowest-priority activities representing five per cent of our Government appropriation. The Government's March 2010 Budget stated that "…reallocations were not necessary as programs delivered by [CBC/Radio-Canada] are aligned with the priorities of Canadians." We are delighted with this conclusion and appreciate the Government's recognition of our services.

We were also pleased with the Government's indication of its intention to renew, for one more year, the $60 million of special funding for Canadian programming for the tenth consecutive year.

In 2008, the Canadian Radio-television and Telecommunications Commission (CRTC) created the Local Programming Improvement Fund (LPIF) to help support local television production. The LPIF contributed $19.8 million to CBC|Radio-Canada in 2009-2010.

In its first year of operation, the new Canada Media Fund (CMF), replacing the Canadian Television Fund (CTF) and the Canada New Media Fund, will provide $12.6 million *less* funding than previously under the CTF, for programs intended for broadcast on CBC|Radio-Canada. The CMF forecasts a drop of about $3.7 million for programs produced for Télévision de Radio-Canada and $8.9 million for programs produced for CBC Television. Given this, certain independent producers will not proceed with their projects, and fewer Canadians will be exposed to original Canadian programming.

The Fund's Board is currently deliberating a new formula for measuring audience success. If, as originally announced by the Minister of Canadian Heritage, the Fund moves to an emphasis on original first-run programming, CBC/Radio-Canada and the independent production industry should benefit.

Fixing the Broken Business Model

Over the past five years, the CRTC has conducted three public hearings into approaches to fixing the business model for conventional television broadcasting. During the most recent, CBC|Radio-Canada argued that cable and satellite companies should pay for conventional broadcasters' signals, as they do for specialty channels' signals. The Corporation also proposed mechanisms to protect consumers by increasing their choice and lowering the cost of entry-level service.

This issue concerns both economics and culture. Canada's conventional broadcasters are the major investors in high-quality Canadian television content, and of these, CBC/Radio-Canada is the most important: we invest more in the production of Canadian programming than all of the other conventional broadcasters combined, and we are the only broadcaster committed to airing that content during prime time, when most Canadians are watching.

Surprisingly, the CRTC allowed private broadcasters to negotiate a fair value for their signals with cable and satellite companies, but denied that same right to CBC/Radio-Canada. While the CRTC recognises our critical importance, financial reality and uncertain future, it has not suggested any means for our continuing to play our essential role in the system. We were extremely disappointed with the decision of the CRTC and are still evaluating its impact on us. What we do know is that we are left with an advertising market under continuing pressure, a 30-year history of stagnant public funding punctuated by periodic major cuts and a cost base that is increasing each year.

Building an Even Better Public Broadcaster
To manage effectively in the midst of uncertainty, CBC|Radio-Canada has focused and made considerable progress on three corporate priorities: People, because they are our key asset; Programs, because they are our core competency; and Pushing Forward, because we must adapt to challenges and exploit opportunities.

People. Over the last three years, we have successfully renegotiated collective bargaining agreements with all of our unions, with parties resolving issues with mutual respect and trust. We now have a solid foundation for improving communications and addressing issues. Good labour relations make an effective organisation and result in better programming for Canadians.

We have also continued initiatives that provide employees with the tools and knowledge to help them become more agile as they face new challenges.

Programs. We have refined our schedules to ensure that our programming remains relevant and engaging, and have continued to share resources across our media lines to create richer content for audiences, in whatever format they prefer.

Pushing Forward. To help us move strongly into the future, we are working through a strategic planning process, which we call *Driving Towards 2015*. It is intended to prepare us to meet new expectations that Canadians have of their public broadcaster in a world of continuous technical revolution, rapid shifts in consumer behaviour and an uncertain economic environment. It will bring more clarity to our choices and our allocation of scarce resources. Our Board of Directors' input ensures that we are all focused judiciously on our priorities and aligned around common strategies.

We also continue to be guided by three principles essential to meeting our mandate.

First, we must continue to be the home of Canadian content — the most important creator and broadcaster of programming that shapes the Canadian experience, tells Canadian stories, reflects our humour, and showcases our people, communities and geography.

Second, we must deliver our content across all media platforms — whenever, wherever and however audiences want it.

Finally, we must be deeply rooted in Canada's regions, reflecting local concerns and perspectives, and giving Canadians a forum for sharing stories. This regional connection is essential to our mandate, and it is why only 17 per cent of the cuts in our Recovery Plan were made in the regions.

The Future Canadians Want

In 2009-2010, we demonstrated that we understand our environment and can effectively manage our challenges and opportunities. With a new, sustainable business model and a workable, ambitious long-term strategic plan, CBC|Radio-Canada can become an even stronger and more vibrant national public broadcaster. These are the main priorities for the coming year.

We will continue to shape a broadcasting revolution that is giving Canadians more choice and more opportunity to participate than ever before. And we will ensure that our audiences continue to find the diversity and richness of Canadian experience reflected in our high-quality content.

Hubert T. Lacroix
President and CEO

Message from the Chair

The Board of Directors has played an important role during a very uncertain and difficult fiscal year to March 31, 2010. Along with guiding CBC/Radio-Canada through difficult challenges, the Board has contributed to significant discussions on and planning for the future of Canada's national public broadcaster.

To oversee the directions of CBC/Radio-Canada, particularly as the Corporation undertakes a new, longer-term planning process, the Board struck a Strategic Planning Committee this year. The Board also closely followed the development and implementation of the Recovery Plan, which was designed to deal with the Corporation's financial difficulties. It also advised the Senior Executive Team on the content of, and approved, its successful submission for the Government's Strategic Review.

The Board put considerable effort into individual and group outreach activities across the country in 2009-2010. These community gatherings and round table discussions were designed to provide information to the public and to targeted stakeholders on CBC/Radio-Canada's activities and to solicit feedback from Canadians.

CBC/Radio-Canada held its first annual public meeting in Ottawa on September 23, 2009. During the meeting, members of the Board and Senior Executive Team discussed the current reality and future of the Corporation. We welcomed questions live from the public and via the Web, and later posted information and representative questions and answers online. Another important session was held in Vancouver in December during the full-day public opening celebrations for the new state-of-the-art broadcasting centre. Accountability sessions such as these are important to all parties and valuable to the Board and to the Corporation as they allow for greater appreciation about what Canadians want and expect from their public broadcaster.

We also said farewell to three Board members this year. The Honourable Joseph Handley, Former Premier of the Northwest Territories, contributed to the work of the Board from May 2008 to August 2009, but resigned in order to pursue other interests. We thank him for his assistance and enthusiasm during his time here. Trina McQueen and Peter Herrndorf, both of whom have devoted major portions of their careers to CBC/Radio-Canada, concluded their terms this year. On behalf of the Board and the Corporation, I would like to express our gratitude to them for their very valuable contributions over the last five years and for their enduring commitment to the public broadcaster. At the same time, we were delighted to welcome to our Board John F. Young from British Columbia.

Despite the Corporation’s challenging year, the Board was pleased to witness Canadians’ strong endorsement of CBC/Radio-Canada’s programming. Audience numbers confirm that we are providing audiences with content that they want on the platforms of their choice. Canadians believe that their national public broadcaster plays a unique and essential role in the social and cultural life of Canada.

Tim W. Casgrain
Chair, Board of Directors

Board of Directors

In accordance with the *Broadcasting Act*, the Board of Directors is responsible for the management of the Corporation. The Board is made up of 12 members, including the Chair and the President and CEO, who are appointed by the Government.

Tim W. Casgrain
Chair
Toronto, Ontario

Hubert T. Lacroix
President and CEO
Montréal, Québec

Linda Black
Calgary, Alberta

Peter D. Charbonneau
General Partner
Skypoint Capital Corporation
Ottawa, Ontario

George Cooper
Senior Partner
McInnes Cooper
Halifax, Nova Scotia

The Honourable Joseph Handley
Former Premier of the Northwest Territories
Yellowknife, Northwest Territories
(until August 2009)

Peter Herrndorf
President and CEO
National Arts Centre
Ottawa, Ontario
(until February 2010)

Patricia A. McIver
Chartered Accountant
Richardson Partners Financial Limited
Vancouver, British Columbia

Trina McQueen
President
Hutton-Belleville Inc.
Toronto, Ontario
(until March 2010)

Brian R. Mitchell
Managing Partner
Mitchell Gattuso
Montréal, Québec

Rémi Racine
CEO and Executive Producer
Artificial Mind & Movement
Montréal, Québec

Dr. Edna Turpin
Executive Consultant
St. John’s, Newfoundland and Labrador

Dr. John F. Young
Dean, College of Arts, Social and Health Sciences
University of Northern British Columbia
Prince George, British Columbia
(since September 2009)

Board of Directors Yearly Attendance

April 2009—March 2010

Board Member	Board (6 meetings; 10 conference calls)	Nominating and Governance (4 meetings)	Human Resources and Compensation (5 meetings; 3 conference calls)	Audit (6 meetings)	Standing (5 meetings)	Real Estate (1 meeting; 1 conference call)	Strategic Planning (2 meetings; 4 conference calls)
Tim W. Casgrain	16/16	N/A	8/8	N/A	5/5	2/2	6/6
Hubert T. Lacroix	16/16	N/A	6/6	N/A	4/5	N/A	N/A
Linda Black	15/16	4/4	3/3	N/A	5/5	N/A	2/2
Peter Charbonneau	15/16	N/A	N/A	6/6	5/5	N/A	6/6
George Cooper	15/16	4/4	N/A	N/A	4/5	N/A	2/2
Joseph Handley [1)]	7/8	1/1	N/A	N/A	1/1	N/A	N/A
Peter Herrndorf [2)]	10/14	3/3	N/A	N/A	3/4	N/A	4/4
Patricia McIver	15/16	N/A	N/A	6/6	5/5	2/2	N/A
Trina McQueen [3)]	12/16	N/A	N/A	5/6	3/5	N/A	4/4
Brian Mitchell	15/16	N/A	N/A	6/6	5/5	2/2	N/A
Rémi Racine	14/16	N/A	8/8	N/A	4/5	2/2	5/6
Edna Turpin	16/16	N/A	7/7	6/6	5/5	N/A	N/A
John Young	7/8	2/2	N/A	N/A	4/4	N/A	N/A

This report lists attendance from April 1, 2009 to March 31, 2010.

1) Joseph Handley resigned August 19, 2009.
2) Peter Herrndorf resigned February 10, 2010.
3) Trina McQueen resigned March 30, 2010.

Governance

Highlights

Changes in the Board Membership

Here are the particulars of the changes in the Board during the year:

John F. Young, of Prince George, British Columbia, was appointed to replace the Hon. Joseph Handley of Yellowknife, Northwest Territories, who resigned on August 19, 2009.

Peter Herrndorf, of Ottawa, Ontario, resigned on February 10, 2010, following the expiry of his term as a Board member.

Trina McQueen, of Toronto, Ontario, resigned on March 30, 2010, following the expiry of her term as a Board member.

Board Committees

Standing Committees on English- and French-language Broadcasting
These Committees are established pursuant to Section 45 of the *Broadcasting Act.* Their mandate is directed to monitoring the fulfilment by the Corporation of its French- and English-language broadcasting responsibilities and its overall mandate, as set out in the *Act*.

Audit Committee
The Audit Committee mandate includes oversight of the integrity of the Corporation's financial information and reporting, the framework of internal controls and risk management, and the audit process.

Nominating and Governance Committee
The Nominating and Governance Committee mandate centres on the Board's governance framework, supporting guidelines and processes. Topics covered include: Terms of Reference for the Board, the Board Chair, the President and CEO, individual Directors, and Board Committees; the process for Board assessment; Board succession; Board orientation and training; and Code of Conduct and Conflict of Interest rules for Directors.

Human Resources and Compensation Committee
The Human Resources and Compensation Committee has oversight responsibility with respect to all aspects of the Corporation's Human Resources strategies, including Human Resources policies, executive compensation, succession planning, industrial relations, health and safety, and the environment.

Real Estate Committee
The Real Estate Committee has oversight responsibility with respect to real estate strategic directions, policies and significant real estate projects, transactions and related initiatives involving CBC/Radio-Canada facilities.

Strategic Planning Committee
The Strategic Planning Committee has oversight responsibility with respect to the overall strategic direction of the Corporation, with specific reference to the 2010 long-term strategic planning process (*Driving Towards 2015*).

Director Compensation

The current rules for Director Compensation are as follows:

The Chair of the Board is compensated in accordance with the terms of the Order-in-Council appointing him/her.

Directors (excluding the Chair of the Board and the President and CEO) receive meeting fees for attendance (in person) at Board and Committee meetings in accordance with the following fee schedule:

Board	$2,000 per meeting (to a maximum of six meetings per year)
Audit Committee	$1,300 per meeting (to a maximum of six meetings per year)
All other Committees	$1,000 per meeting (to a maximum of four meetings per year)

For additional meetings of the Board or a Committee over and above the maximum number indicated above, the meeting fee is $625 per meeting.

For conference call meetings of the Board or a Committee, the meeting fee is $250.

Directors are entitled to receive only one meeting fee for each day (24 hours) even if they attend more than one meeting during that period.

Directors do not receive an annual retainer for serving as a Board member of CBC/Radio-Canada.

For 2009-2010, the total amount paid in Director compensation was $172,650.00.

Senior Executive Team

The Senior Executive Team, led by the President and CEO, manages CBC/Radio-Canada's day-to-day operations.

Hubert T. Lacroix
President and CEO

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

William B. Chambers
Vice-President, Brand, Communications and Corporate Affairs

Steven Guiton
Vice-President and Chief Regulatory Officer

Sylvain Lafrance
Executive Vice-President, French Services

Katya Laviolette
Vice-President, People and Culture

Suzanne Morris
Vice-President and Chief Financial Officer (CFO)

Richard Stursberg
Executive Vice-President, English Services

Michel Tremblay
Senior Vice-President, Corporate Strategy and Business Partnerships

Public Accountability

Corporate Mandate

The Canadian Broadcasting Corporation/Société Radio-Canada (CBC|Radio-Canada or the Corporation) was first established by an Act of Parliament in 1936. The Corporation's current legislative mandate, corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the *Act*).

The Role of the Corporation in the Canadian Broadcasting System

Section 3 of the *Act* sets out the broadcasting policy for Canada and includes provisions specifically addressing the role of the Corporation in the Canadian broadcasting system. In particular, paragraphs 3(1)(l) and (m) establish a very broad mandate for CBC|Radio-Canada, requiring the Corporation to make its programming available across the country in a manner that satisfies both national and regional needs, in both English and French, while also reflecting the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC|Radio-Canada is also required by section 46(2) of the *Act* to provide an international service which must comply with licence conditions and regulations issued by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any directions issued by the Governor in Council.

No other Canadian broadcaster — commercial or public — has the same breadth of mandate or the same scale or scope of operations as CBC|Radio-Canada.

Regulatory Requirements

In the establishment and operation of its broadcasting activities, CBC|Radio-Canada must comply with the licencing and other regulatory requirements established by the CRTC under the *Act*, as well as any requirements under the *Radiocommunication Act* which may apply to the Corporation's use of radiocommunication spectrum.

Given the special role of CBC|Radio-Canada in the Canadian broadcasting system, there are limits set out in the *Broadcasting Act* with respect to the CRTC's regulatory authority over the Corporation.

Reporting to Canadians

CBC/Radio-Canada has an obligation to report to Canadians on the fulfilment of its commitments. This is accomplished using a variety of communications channels and vehicles.

Annual Public Meeting

On September 23, 2009, CBC/Radio-Canada held its annual public meeting (APM) in Ottawa. This meeting was one aspect of an overarching public meetings initiative developed by the Corporation and approved by the Board of Directors. The APM was also in line with the expectation of the Government of Canada and the Treasury Board Secretariat that each Crown Corporation hold such a meeting to share information and solicit feedback from the public. Crown Corporations are given significant flexibility regarding the nature and scope of an APM, as well as its location and timing.

Participating in our APM were the President and CEO, the Chair and members of the Board of Directors, and the Senior Executive Team of the Corporation, who spoke about the current state of CBC/Radio-Canada and its future. Guests in the audience, as well as online, had their questions answered live. Additional questions and answers were later posted on the corporate website, along with the recorded webcast and information from the presentations.

We will hold our next APM in autumn 2010. As last year, the meeting will be accessible live to the public who may join us in the designated studio or via our online webcast. Once again, we will advise the public about the upcoming APM through advertising and our online services.

Open and Transparent

CBC/Radio-Canada also accounts for its activities through the Minister of Canadian Heritage and Official Languages to Parliament, through its Annual Report and Corporate Plan Summary, to the Canadian Radio-television and Telecommunications Commission (CRTC) through year-end reports and annual financial returns, and to stakeholders through ongoing dialogue and interaction and CBC/Radio-Canada websites.

Here are examples of reporting instruments:
- CBC/Radio-Canada Corporate Plan and Corporate Plan Summary
- CBC/Radio-Canada Annual Report
- Annual Report of CBC/Radio-Canada to the Canadian Radio-television and Telecommunications Commission (CRTC)
- Annual Reporting to Parliamentary Committees (Canadian Heritage, Official Languages, Public Accounts, Senate Committees)
- Auditor General Annual Attest Audit
- Auditor General Special Examination Report
- Annual Report to the Department of Human Resources and Skills Development Canada (HRSDC) Employment Equity
- Implementation of Section 41 of the *Official Languages Act* Report
- Public Accounts of Canada

- Posting of business travel and hospitality expenses of Chair, President and Vice-Presidents on corporate website

Journalistic Standards and Practices

CBC/Radio-Canada has an extensive code of Journalistic Standards and Practices and solid editorial control mechanisms to guide its employees and to ensure that those working on its programming remain balanced and accurate in their on-air perspectives and reporting. To address new realities, especially in a digital environment, the Journalistic Standards and Practices are being updated and will be put into effect in the coming years. Complaints from the public that are not resolved at the program level to the satisfaction of the complainants are examined and dealt with by the Corporation's two independent Ombudsmen.

In 2009-2010, the offices of the Ombudsmen (English Services and French Services combined) handled a total of 3,093 complaints, expressions of concern and other communications. There were 2,028 concerning English Services programming and 1,065 concerning French Services programming. On the English Services side, 1,204 communications fell within the mandate of the Ombudsman (news and current affairs programming), while there were 652 on the French Services side. Communications not directly related to CBC/Radio-Canada news and current affairs programming were acknowledged and forwarded to the programming departments concerned.

The Ombudsmen are completely independent of CBC/Radio-Canada programming staff and programming management and report directly to the President of the Corporation and, through the President, to the Corporation's Board of Directors. The role of the Ombudsman is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians. The Ombudsmen can be reached at:

The Ombudsman, English Services, CBC/Radio-Canada, PO Box 500, Station A, Toronto ON M5W 1E6 (ombudsman@cbc.ca); and,

Bureau de l'ombudsman, Services français, CBC/Radio-Canada, CP 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

Codes of Conduct

CBC/Radio-Canada employees at all levels and across the Corporation are expected to adhere to the Code of Conduct and policies governing their behaviour in such areas as: conflict of interest and ethics; disclosure of wrongdoing; official languages; harassment; and political activity. The Corporation's Human Resources policies are available for viewing online at: http://www.cbc.radio-canada.ca/docs/policies/index.shtml.

Access to Information

CBC/Radio-Canada became subject to the *Access to Information Act* on September 1, 2007. Section 68.1 of the legislation contains specific safeguards to protect the journalistic, creative and programming independence that is fundamental to a successful national public broadcaster. Similar protection has been afforded to other public broadcasters, such as the British Broadcasting Corporation and the Australian Broadcasting Corporation, under comparable legislation in those jurisdictions.

Since September 1, 2007, CBC/Radio-Canada has received more than 1,000 requests for records. Responding to this volume of requests has posed a significant challenge, and steps have been taken to allow the Corporation to meet its obligations under the legislation.

Here are the details: from September 1, 2007 to March 31, 2008, 547 requests were received. From April 1, 2008 to March 31, 2009, there were 221 requests received. From April 1, 2009 to March 31, 2010, 247 requests were received. At the end of its first year under the legislation, given the larger-than-expected number of requests, the Corporation carried over 323 requests; at the end of its second year, 108 were carried over, and at the end of its third year, 40 were carried over.

The Corporation is continuing its efforts to provide timely responses to requests, as efficiently and effectively as possible.

Highlights: Programming

English Services

- CBC Radio One and CBC Radio 2 achieved a combined national audience share — 13.8 per cent (Fall Survey S4, 12+), with CBC Radio One matching its all-time high of 11.1 per cent.

- In measured major English-speaking markets, 21 of 22 CBC Radio One local morning shows were ranked first, second or third (Fall 2009 survey).

- CBC Radio strongly reflects Canada's regions: 53 locations; 37 stations; 16 news bureaux; 30 local morning shows; 22 afternoon shows; over 45,000 hours of local programming.

- CBC Television's 2+ regular season, prime-time audience share of 9.3 per cent was up from last year's 8.6 per cent, and its 25-54 share rose from 7.0 per cent to 8.0 per cent.

- Major CBC Television successes this year included *Battle of the Blades*, *Dragons' Den*, *Rick Mercer Report*, and *CBC's Hockey Night in Canada* — all drawing over one million viewers each episode during the season. *Heartland* attracted nearly one million viewers, and *Republic of Doyle* and *The Tudors* brought in over 800,000 each week.

- CBC Television News expanded local programming in 12 regions by increasing supper-hour newscasts from 60 to 90 minutes and adding a new 10-minute late-night newscast.

- The Canadian Broadcasting Centre's studio hosted *Canada for Haiti*, a commercial-free special produced collaboratively by CBC Television, CTV and Global Television, and raised more than $13.5 million for relief efforts.

- *CBC.ca* — Canada's most popular English-language news and media site — averaged 4.8 million unique visitors monthly.

- Podcast downloads increased by 50 per cent to 1.1 million per week.

- A new industry standard video player was launched in Fall 2009, delivering over 300,000 audio streams (September—December 2009) and over 550,000 video streams (March 2010) weekly.

- 335 national and international awards for radio and television combined.

French Services

- Radio-Canada strengthened its regional presence by opening two new integrated stations in Sherbrooke and Trois-Rivières, giving residents of Mauricie and the Eastern Townships access to local news and programming everyday.

- Première Chaîne morning shows in Montréal, Québec City and Ottawa ranked second or third in fiercely competitive regions.

- Two of Radio-Canada's Twitter channels ranked among the Québec top 10.

- In June 2009, Radio de Radio-Canada released its widget, allowing listeners to tune in live anywhere, any time, and its iPhone app, which became Québec's most downloaded free app within two weeks of its launch.

- Launched in January 2010, TOU.TV is Canada's largest French-language entertainment Web television site, recording over 745,000 connections in its first week.

- In January 2010, RDI celebrated its 15th anniversary with special programming and retrospectives.

- *Découverte* drew an all-time-high of 1,113,000 viewers for its special on H1N1.

- Télévision de Radio-Canada launched successful new series — *Aveux, Kampaï! À votre santé, En direct de* l'univers, *Six dans la cité, Musée Eden*, *Mirador*, and *Trauma* — and again offered *Les Parent, La galère* and *Les hauts et les bas de Sophie Paquin*.

- RCI launched three multimedia initiatives linked to radio programming (*Eye on the Arctic*, *Maple Leaf Mail Bag Road Show*, and the *Roots/Racines* competition), and produced multimedia content for the Chinese-language website.

- To expand its reach, RCI developed new partnerships: 10 projects produced in-house, including the CBC Radio One flagship program, *The Link*; 28 outside projects, including co-production with Radio Beijing of clips in Mandarin on the Shanghai World Expo; and visibility agreements with the Board of Trade of Metropolitan Montreal, Vues d'Afrique and Les Rencontres internationales du documentaire de Montréal (RIDM).

Other Broadcasting Activities

- CBC News/RDI Express, the Corporation's bilingual news and information service for airports, launched in Winnipeg and Edmonton, augmenting its service in Ottawa, Toronto and Vancouver.

- Sirius Canada, in which the Corporation is a partner, completed the year with over one million subscribers. CBC/Radio-Canada has six channels on Sirius Canada.

Highlights: Behind the Scenes This Year

People and Culture: Engaging and Developing Our People

- The President and CEO regularly met with employees and the unions, strengthening working relationships for the advancement of the Corporation's strategic and operational performance.

- A major employee engagement campaign, Responsibility Matters, was launched, fielding suggestions from staff on how CBC/Radio-Canada could become an evermore financially and socially responsible business. A management committee considered over 100 suggestions that have led to changes on how we operate, from the installation of LED lighting, to the launch of paperless pay stubs and paperless distribution of the CBC/Radio-Canada Pension Plan Annual Report.

- A large workforce adjustment process resulting from significant financial challenges was managed with care to reduce its impact on employees and maintain diversity within the workforce.

- A collective agreement was reached with the Syndicat des communications de Radio-Canada (SCRC) and much effort was invested in maintaining healthy and open labour relations.

- A corporate-wide H1N1 Influenza A pandemic-ready awareness campaign provided useful information to employees. To ensure employees' protection at home and abroad, the National Crisis Management Team also led updates of pandemic plans; preparation requirements for hostile environments; and continued to develop programs for emergency preparedness, corporate security and business continuity planning. Special projects included an employee emergency information line and preparation for the Winter Olympics in Vancouver.

- The 2009-2012 Corporate Diversity and Equity Plan committed the Corporation to reflecting diversity through programming and ensuring that diversity is part of workforce recruiting and development.

- Employees from all segments of the Corporation participated in an internal forum, sponsored by the President and CEO, to help determine how CBC/Radio-Canada can increase its public value and define its enduring contribution to Canadian democracy, culture and citizenship through its people and programs.

- The Environmental Lead Team again monitored the minimisation of the impact of our operations on the environment, engaging employees in this effort, and an environmental performance review. Achievements this year included a paper reduction campaign, and continued recycling of e-waste and a cell phone take back program.

- The People and Culture portfolio's future strategies include improving internal culture, ensuring that employees' contributions are valued, fostering leadership development and talent management, and ensuring a diverse talent pool.

CBC Technology

- The Corporation's Technology Strategy Board (TSB), a centre for expertise and governance in the area of technology, created a strategic plan designed to guide the Corporation's decisions in this area over the next five years.

- The TSB finalised an agreement to roll out the next generation of evolved networks that will link all CBC/Radio-Canada production centres across Canada via a high-performance digital network for television, radio and Web operations.

- The TSB also proposed a transition strategy for digital television and migration to digital transmitters equipped for mobile broadcast.

Real Estate

- The Vancouver Redevelopment Project integrated CBC/Radio-Canada newsroom operations with digital content management, for greater efficiency and synergy between our English and French networks and across all of our media lines. The redevelopment also improved workspaces and production infrastructures, and strengthened ties with the community. The Vancouver Broadcast Centre opened to great enthusiasm in December 2009.

CBC/Radio-Canada Services

CBC/Radio-Canada is the only Canadian broadcaster delivering a comprehensive range of radio (commercial-free), television, Internet, and satellite-based services to Canadians, in English, French and eight Aboriginal languages. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, however and wherever they want it.

English Services

CBC Radio One (news, current affairs, arts, and culture via radio and Sirius Satellite Radio Channel 137)
CBC Radio 2 (classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters, Canadian Composers)
CBC Radio 3 (emerging Canadian music via the Internet, podcast, and Sirius Satellite Radio Channel 86)
CBC Television (news, information, sports, and entertainment)
CBC News Network (continuous news and information via television)
bold (drama, comedy, performing arts, and sports coverage)
documentary (Canadian and international documentaries, films and series)
CBC.ca (news, information, streaming video and audio, sports highlights, Web features, and multimedia archives)

French Services

Première Chaîne (information and cultural programming via radio)
Espace musique (classical, jazz, vocal, world, and emerging music via radio)
Bande à part (popular and alternative French-language music via Espace musique, the Internet, podcast, and Sirius Satellite Radio Channel 87)
Espace classique (customised classical music via the Internet)
Espace jazz (customised jazz via the Internet)
Espace monde (customised world music via the Internet)
Première plus (news, current affairs and culture, in partnership with Radio Canada International and Radio France International, via Sirius Satellite Radio Channel 94)
Sports extra (sports information and analysis via Sirius Satellite Radio Channel 96)
Télévision de Radio-Canada (news, current affairs, drama, culture, variety, sports, and programming for children and youth)
Réseau de l'information de Radio-Canada (RDI) (continuous news, information and current affairs via television)
TOU.TV (on-demand Web television, created by Radio-Canada, featuring programming from 20 national and international producers and broadcasters)
ARTV (arts and culture)

TV5MONDE (programming featuring diverse cultures and perspectives, from 10 broadcast partners, including Radio-Canada)
Radio-Canada.ca (news, information, streaming video and audio, and Web features)

Combined Services

Radio Canada International (Canadian information and culture in seven languages via the Internet, digital and analogue shortwave, satellite, and partner stations worldwide)
RCI viva (Web radio in seven languages featuring information for new and aspiring Canadians)
RCI plus (programming in seven languages from Radio Canada International and national and international partners via Sirius Satellite Radio Channel 95)
CBC North (linking Canada's northern communities via radio and television, in English, French and eight Aboriginal languages)
CBC News Express/RDI Express (bilingual news and information service in five large Canadian airports, serving over 62 million travelers annually)
CBC Records/Les disques SRC (label recording Canadian musicians and releasing about eight CDs annually)
Mobile Services/Services mobiles (programming for mobile and iPhone sites, SMS alerting services, including CBC News Network and RDI as live streams and on-demand videos)
CBC Mobile Productions/Les Productions mobiles de Radio-Canada (services for in-house production, and generating programming revenue by selling to the third party market)

Key Performance Indicators

Measuring Performance

CBC/Radio-Canada uses a performance measurement system that links measures of performance to the Corporation's priorities. This system allows the Government and Canadians to examine CBC/Radio-Canada's annual performance results, its performance against targets, as well as performance trends.

In addition to these indicators, CBC/Radio-Canada's networks use programming indicators to assess performance against targets.

Corporate Priorities: People, Programs and Pushing Forward

CBC/Radio-Canada introduced a new strategic framework in 2008-2009, arrived at through extensive consultation with employees and the Senior Executive Team, and through consideration of the findings from an in-depth review of the environment in which the Corporation operates. This input clearly pointed to the need to focus on three key issues: people — our key asset; programs — our core competency; and pushing forward — to meet current challenges and exploit opportunities. The priorities associated with each of these three key issues are as follows:

People

- Recruit, train, retain, and engage a skilled workforce
- Reflect Canada's diversity within
- Build and continue improved relationships with the unions
- Communicate and engage our people.

Programs

- Continue to provide high-quality, distinctive Canadian content that informs, entertains, enlightens, and reflects the Canadian experience on whatever platforms Canadians consume it
- Strengthen position in the regions, using a blend of platforms to deliver appropriate services
- Increase representation of the diversity of Canada's population and its regions in the content of our programs.

Pushing Forward

- Build a sustainable economic model
- Enhance transparency through real time reporting
- Invest in the appropriate technologies and infrastructure to optimise reach.

We also embarked on a new strategic planning approach, *Driving Towards 2015*, that will set our course for the future.

The following pages contain our key corporate performance indicators and our media lines' targets and results.

Corporate Measures of Performance

Corporate Priority	Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
PEOPLE	**CBC/RADIO-CANADA USAGE BY VISIBLE MINORITY (18+)**[1]	87%	81%	81%
	VISIBLE MINORITY STAFF[2]	556	535	565
	COMMITMENT TO TRAINING AND DEVELOPMENT	$1,015 per employee	$1,035 per employee	$1,055 per employee

1 As of 2007-2008, the Corporation has adopted the definition used by Statistics Canada.
2 Excludes short-term employees up to December 31, 2009.

Corporate Measures of Performance

Corporate Priority	Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
PROGRAMS	**CANADIAN CONTENT**[1]			
	CBC Television			
	Broadcast day	75%[2]	81%	75%[2]
	Prime time (Monday-Sunday, 7:00-11:00 p.m.)	80%[2]	81%	80%[2]
	Télévision de Radio-Canada			
	Broadcast day	75%[2]	80%	75%[2]
	Prime time (Monday-Sunday, 7:00-11:00 p.m.)	80%[2]	91%	80%[2]
	CBC Radio			
	Broadcast day	99%	99%	99%
	Prime time (Monday-Friday, 6:00-9:00 a.m.)	100%	100%	100%
	Radio de Radio-Canada			
	Broadcast day	99%	99%	99%
	Prime time (Monday-Friday, 6:00-9:00 a.m.)	100%	100%	100%
	DISTINCTIVENESS			
	Main television and radio networks	90%	89%	90%
	PROGRAMS PRODUCED IN REGIONS FOR REGIONS	80,700 hours	85,794 hours	83,500 hours
	PROGRAMS PRODUCED IN REGIONS FOR NETWORK	11,900 hours	9,126 hours	8,300 hours
	EXPENDITURES ON CANADIAN PROGRAMMING	93% of programming budget	93% of programming budget	93% of programming budget
	PROGRAMMING EXPENDITURES	79% of total budget	82% of total budget	82% of total budget
	EXPENDITURES ON CROSS-MEDIA PROGRAMMING	$7.4 million	$8.3 million	$6.6 million
	CANADIANS' SATISFACTION LEVELS WITH MAIN TELEVISION AND RADIO NETWORKS	89%	88%	89%

1 Based on previous broadcast year.
2 CRTC expectations.

Corporate Measures of Performance

Corporate Priority	Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
PUSHING FORWARD	**SELF-GENERATED REVENUES**[1]	$105.9 million	$113.8 million	$88.6 million
	REVENUE GENERATED FROM NEW PLATFORMS[2]	Increase of 15%	Increase of 55%	Increase of 40%
	INVESTMENT IN NEW PLATFORMS	Increase of 3%	Increase of 11%	Increase of 8%

1 *Excludes television and Internet advertising revenues.*

2 *New platforms include all content available to watch and/or listen to on the Internet or mobile devices, such as cell phone, video iPod/MP3 player or PlayStation portable (PSP).*

Media Lines' Targets and Results

English Services

CBC/Radio-Canada's English Services comprise CBC Television, CBC News Network, **bold**, *documentary* (majority controlled), CBC Radio One, CBC Radio 2, CBC Radio 3, and multiple digital platforms including *CBC.ca*. CBC content is also available on new platforms through key partnerships created by the Corporation with content distributors.

All of these services report to the Executive Vice-President for English Services, allowing an integrated approach to strategic and business planning, sharing of resources and programming across the media lines, and the achievement of savings and synergies.

The year 2009-2010 was a challenging one for English Services, in light of stagnant levels in advertising revenues experienced by the broadcast industry. This loss of funding affected English Services' ability to maintain existing service levels and forced it to reduce staffing and programming expenditures.

Despite these financial challenges, English Services met or surpassed the majority of the performance targets for the year. CBC Radio One achieved its highest-ever national audience share (11.1 per cent) while CBC Television increased its regular season, prime-time share from 8.6 per cent in 2008-2009 to 9.3 per cent in 2009-2010. At the same time, CBC Television's overwhelmingly Canadian prime-time schedule continued to beat a key competitor's predominantly American prime-time schedule by more than half a share point. This represents an historic achievement for English-language television in Canada.

ENGLISH SERVICES' STRATEGIC OBJECTIVES

English Services continued its commitment to offer high-quality and engaging Canadian programming to a wide audience. English Services' goal is to provide Canadians with programming they want — where, when and how they want it. In order to increase the value of CBC services to Canadians, as measured by usage, four strategic objectives were established for the year:

- Grow CBC Radio One share and CBC Radio 2 share.
- Grow CBC Television share.
- Continue news renewal and strengthen position in the regions.
- Invest in new platforms.

To measure the success of English Services as an integrated content company, CBC set out six main performance indicators, as shown in the following table. The goal of serving Canadians is represented by four of these indicators measured by audience share for the conventional television and radio networks and ranking in new platforms, indicating the extent of usage by the public. Distribution of specialty television services, CBC News Network (formerly CBC Newsworld), **bold** and *documentary,* is also key to providing this content to Canadians. Success in these measures demonstrates how CBC's distinctive, high-quality and popular programming both resonates with Canadians and fulfils CBC's mandate to inform, enlighten and entertain.

In order to pursue these strategic priorities, sound financial management is required to ensure appropriate resources are available for Canadian programming. CBC earns substantial self-generated revenues in the competitive marketplace (through advertising, subscriptions and other initiatives) which, when added to Government appropriations, permit the Corporation to offer Canadian content to the extent that it currently does. Furthermore, prudent cost management is another cornerstone to ensure maximum resources are directed to programming on all platforms (television, radio and new platforms).

ENGLISH SERVICES' PERFORMANCE INDICATORS

Performance Indicators		2009-2010 Targets	2009-2010 Results	2010-2011 Targets
RADIO SHARE (12+ fall survey S4)	Combined	13.5%	13.8%	14.1%
TELEVISION SHARE (2+ regular season)	CBC Television (prime time)	8.5%	9.3%[1]	8.7%[2]
	CBC News Network (all day)	1.4%	1.0%	1.0%
NEW PLATFORMS (2+ comScore Monthly Average Unique Visitors)	*CBC.ca*	Number 1	Number 1[3]	5,602,000[4]
	CBC News Online	__	__	3,900,000[4]
	CBC Sports Online	Number 2	Number 2[3]	1,074,000[4]
	CBC Entertainment Online	__	__	1,344,000[4]
REVENUES (conventional, specialty and online)[5]	Total revenues	$292 million[6]	$311 million	$328 million
SUBSCRIBER COUNT	CBC News Network	10.5 million	10.8 million	10.8 million
	bold	1.1 million	1.1 million	2.5 million
	documentary	1.2 million	1.3 million	2.3 million
COSTS[7]	Total costs	$766 million	$786 million	$807 million

1 Season-to-date 2009-2010: weeks 5-32, excluding weeks 25-26 (Olympics).
2 Under the new PPM measurement system, in 2009-2010, not all tuning in to the television universe was captured. In the future, BBM expects to increase coverage to a larger percentage of all tuning in. Therefore, the same audience level for any broadcaster would yield a lower share in this scenario.
3 For 2009-2010, the target was established as a ranking of sites in that category, excluding foreign content providers and any content aggregators. For 2010-2011, the target was established for Monthly Average Unique Visitors for the September 2010 to March 2011 period.
4 September 2010 through March 2011.
5 Including contra, excluding Local Programming Improvement Fund (LPIF) revenues, The Documentary Channel at 82% (except for the 2009-2010 target, which is The Documentary Channel at 100%).
6 This target was established excluding contra/barter revenues of $3 million in value, and results for 2009-2010 include that amount.
7 English Services including The Documentary Channel at 100% for the 2009-2010 target; and at 82% for the 2009-2010 results and the 2010-2011 target.

ENGLISH SERVICES' FUTURE DIRECTIONS

Grow Television share and audiences

- Continue past success in addressing English Canada's most significant cultural challenge: the absence of Canadian entertainment programming (especially in prime time) that Canadians want to watch.
- Continue to focus on successful format and series programs.
- Continue commitment to documentaries in prime time (and on the dedicated *documentary* specialty service).
- Continue to focus on professional and amateur sports of importance to Canadians (hockey, FIFA, skiing, curling).

Grow CBC Radio One share and CBC Radio 2 share

- Continue CBC Radio One program redevelopment in the key regional communities.
- Evolve the program development process to emphasise multi-platform opportunities and develop “break-out” shows.
- Evolve the CBC Radio 2 service in the context of English Services’ overall music strategy.
- Develop a sustainable audience demographic mix and broaden the reach for CBC Radio 2.
- Monetise off-air content.

Continue news renewal and strengthen our position in the regions

- Increase, broaden and diversify audiences to CBC News on all platforms (television, radio and new platforms).
- Increase personal relevance for, and engagement with, audiences.
- Provide service to Canadians on all platforms in an appropriate manner.
- Continue elevated level of local content begun in 2009-2010.

Invest in new platforms

- Continue to enhance *CBC.ca* functionality, quality and media player and social media capabilities.
- Continue to migrate CBC content (television, radio) to the online space.
- Continue to partner with “best in class” in the industry to provide as wide a footprint of CBC content as possible.

Value our people as our greatest resource

- Reflect Canada's diversity through a long-term diversity strategy.
- Ensure that the workforce is engaged, and facilitate corporate cultural change.
- Continue to build a positive long-term union-management relationship.

Media Lines' Targets and Results

French Services

CBC/Radio-Canada's French Services comprise Télévision de Radio-Canada, Réseau de l'information de Radio-Canada (RDI), Première Chaîne, Espace musique, Espace jazz, Espace classique, Espace monde, Bande à part, Radio Canada International (RCI), *Radio-Canada.ca*, and TOU.TV. All of these services report to the Executive Vice-President for French Services. This integrated approach facilitates the development of a global vision for French Services that recognises the individual strengths and distinctive character of each media line while promoting the overarching goal of improving the quality of the democratic and cultural life of Canadians. The Corporation is also a partner in ARTV and TV5MONDE.

The year 2009–2010 was a challenging one for French Services, in light of stagnant levels in advertising revenues experienced by the broadcast industry. This loss of funding affected French Services' ability to maintain existing service levels and forced it to reduce staffing and programming expenditures.

Despite these financial challenges, French Services achieved excellent results for 2009–2010. First, Radio de Radio-Canada and Télévision de Radio-Canada continued to hold their solid positions in the French-speaking market, in the face of ever-growing competition from private broadcasters. In fall 2009, Radio de Radio-Canada recorded its highest reach ever, with 1,454,000 listeners across Canada and a 19 per cent share of the French-speaking radio audience. Télévision de Radio-Canada remains the country's second most-watched French-language television network, with an 18.6 per cent prime-time market share.

It was also a good year for Radio-Canada's digital services. In 2009–2010, *Radio-Canada.ca* recaptured the top spot among the country's French-language media sites, with 1.2 million unique French-speaking visitors and a 23 per cent reach. Launched by Radio-Canada in late January 2010, TOU.TV, Canada's leading French-language Web television site, recorded 5.5 million requested video streams in two months. It now reaches over half a million unique French-speaking visitors, for a seven per cent reach.

FRENCH SERVICES' STRATEGIC OBJECTIVES

French Services continued implementing the three-year strategic plan it introduced in 2008–2009. This plan still reflects Radio-Canada's vision to become a total media organisation – a leading creator and broadcaster of multimedia content in the French-speaking world.

To this end, French Services began by creating the new position of Senior Executive Director, Revenue, whose goal it is to implement a business model that is sustainable, profitable and efficient. By centralising its revenue management, adopting a 360-degree strategy, and achieving ongoing efficiencies throughout the organisation, Radio-Canada managed to exceed its financial objectives, as witnessed by the indicators shown in the table below.

On the programming side, initiatives included increasing our regional presence by opening two new integrated regional broadcasting centres in Sherbrooke and Trois-Rivières, as well as adding a number of regional *Téléjournal* newscasts. Radio-Canada also undertook a review of its news operations, with an emphasis on creating an integrated model better suited to today's media landscape. Radio-Canada also launched new digital services, such as the Web television site, TOU.TV, and the specialty Web radio service, Espace monde, as it strives to deliver an increasingly multiplatform program offering grounded in 21st-century realities.

With regard to the organisation and its people, French Services continues to further its objective of adapting and strengthening its organisational capabilities so that it can better meet the challenges of being an integrated multiplatform media organisation. The resources committed to achieving this objective include implementing a workforce adjustment plan (while minimising the impact on employees and on French Services' strategic directions); rearranging work environments; and developing talent.

This strategy aims to strengthen the public broadcaster's brand so that it continues to be as distinctive as ever, while promoting the values of quality and credibility that will make Radio-Canada recognisable to Canadians, regardless of the platform on which they choose to receive its content.

As shown in the performance indicators in the table below, Radio-Canada commands a strong position in the French-speaking market and the adopted strategy will help maintain its leadership role.

As for Radio Canada International, the network's organisational priority for 2009–2010 was to review its role and continue integrating with French Services, in order to make RCI the voice of Canada abroad and to better reflect the new, diversity-driven Canadian identity.

FRENCH SERVICES' PERFORMANCE INDICATORS

Performance Indicators		2009-2010 Targets	2009-2010 Results	2010-2011 Targets
RADIO SHARE (12+ fall survey S4)	Combined	19.4%	19.0%	19.0%
TELEVISION SHARE (2+ regular season)	Télévision de Radio-Canada (prime time)	18.9%	18.6%	18.5%
RADIO-CANADA.CA (12+ comScore unique/reach)	Unique francophone visitors	1.0 million	1.2 million[2]	1.8 million[4]
REVENUES (conventional, specialty and online)	Total revenues	$173.7 million	$190.5 million	$190.7 million
SUBSCRIBER COUNT	RDI	10.4 million	10.8 million	10.8 million
COSTS[5]	Total costs	$576.1 million[3]	$556.1 million	$588.9 million

1 Reach among francophones who used Internet at home.
2 Monthly total unique francophone visitors who used the site from home.
3 French Services' annual spending budget up until March 31, 2010.
4 Monthly average unique francophone visitors (all ages) combined for Radio-Canada.ca, TOU.TV and bandeapart.ca from September 1, 2010 to March 31, 2011.
5 Includes LPIF expenditures.

FRENCH SERVICES' FUTURE DIRECTIONS

Lead in the development and offer of digital content and services

- Enrich TOU.TV programming and reinforce *Radio-Canada.ca*.
- Develop and launch new content and applications for mobile platforms.
- Create Espace chanson and redesign music websites.

Revamp network news and current affairs offering

- Introduce new formats for *Le téléjournal*.
- Fully integrate newsrooms (television, radio, Web).
- Integrate assignment, planning and expertise centre.

Develop assets and audiences

- Use a 360º approach to manage potential content revenue.
- Maximise all key revenue streams.
- Manage the impact of the deregulation of specialty-service distribution fees.
- Optimise satellite distribution of regional signals.
- Forge new partnerships.

Continue with multiplatform integration

- Develop new, attention-grabbing multiplatform initiatives.
- Apply for licences for new specialty services and develop a viable business model.
- Recruit and train personnel to meet the new requirements of the integrated multiplatform media organisation model.

Increase regional presence

- Optimise use of the Local Programming Improvement Fund.
- Develop a new Web service for areas north and south of Montréal.
- Open integrated stations in Saguenay.
- Redeploy regional services in Eastern Québec.
- Introduce regional on-air presence on Espace musique.

Enhance network performance

- Television: ensure performance, flow and competitiveness of the program schedule.
- Radio: review strategy for Premiere Chaîne and introduce regional on-air presence on Espace musique.
- RDI: develop a programming strategy to face the competition.
- ARTV: consolidate share ownership.

Protect and strengthen the brand

- Develop a strategy to enter into high-visibility strategic partnerships.
- Develop the relationship between Canadians and the public broadcaster.
- Engage and strengthen buy-in among employees with regards to the Corporation's brand and attributes.

Invest in people

- Adapt the management structure and processes to support our personnel in the implementation of French Services' strategic initiatives.
- Develop and engage managers and employees.
- Strengthen productive relations with the unions.

RCI

- Secure added visibility for RCI-produced multilingual content.
- Encourage recent immigrants to take part in Canadian culture and democracy.

Annual Report 2009-2010

CBC/Radio-Canada

Financial Review

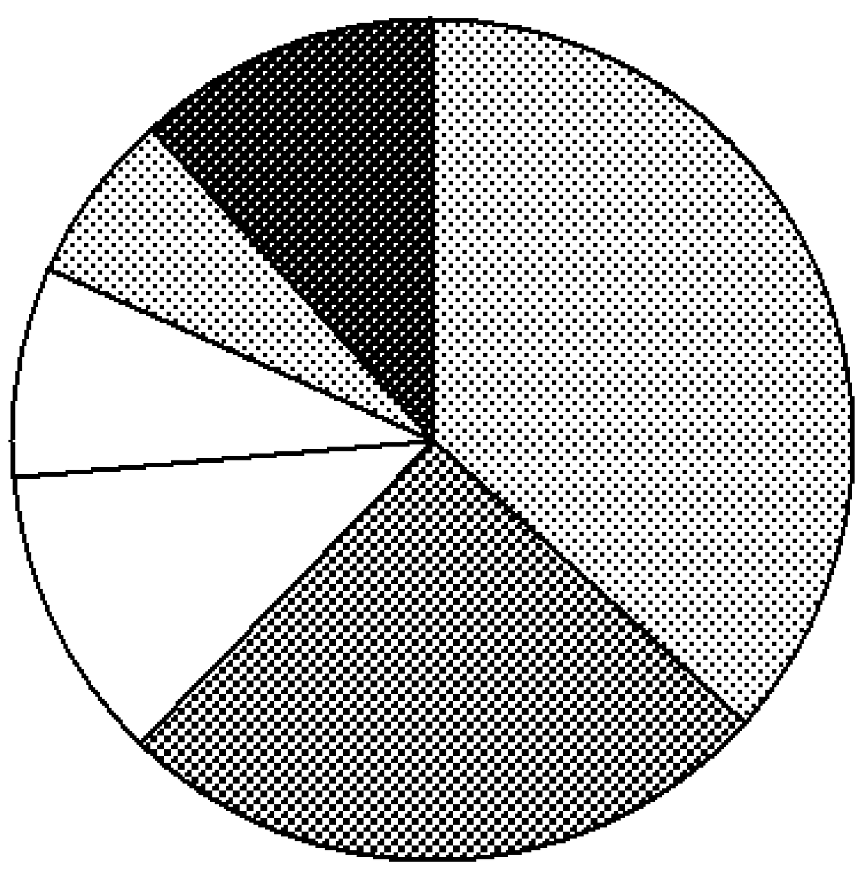
DRAFT: June 16, 2010, 11:00 a.m.

This section comments on the operations and financial condition of the Corporation for the year ending March 31, 2010, and should be read together with the consolidated financial statements and accompanying notes. The section also presents brief insights into the year to come and contains statements regarding future events. Such statements require us to make assumptions and are subject to inherent risks and uncertainties. Actual outcomes could differ materially from expectations expressed in forward-looking information.

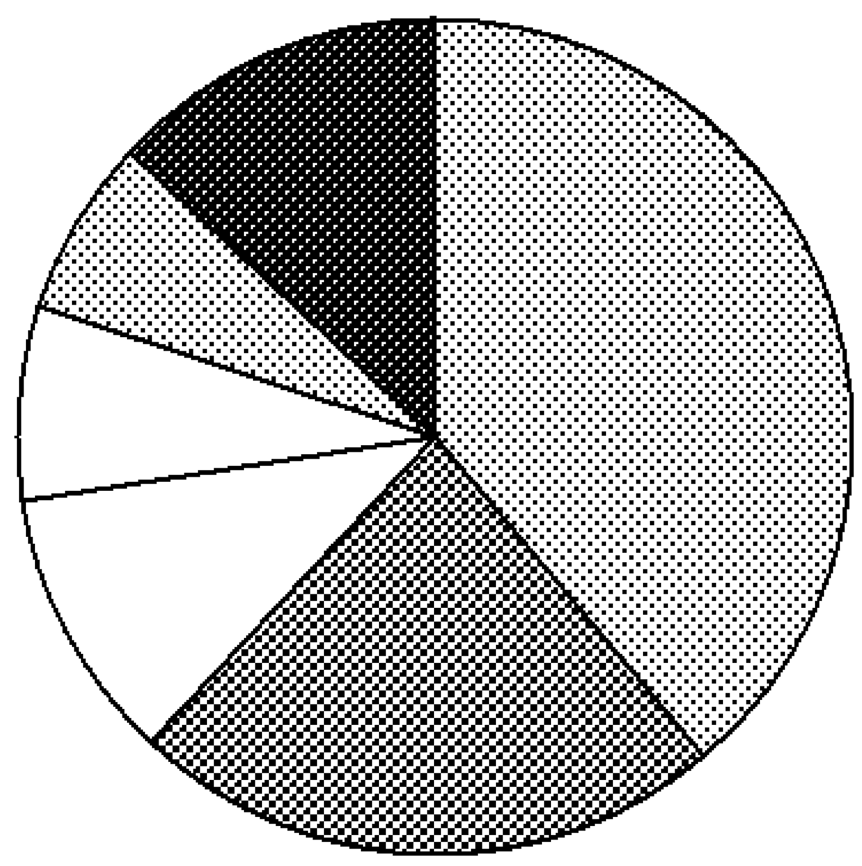
OPERATING EXPENSES*

(millions of dollars)

2009-2010
$1,790 million



2008-2009
$1,848 million

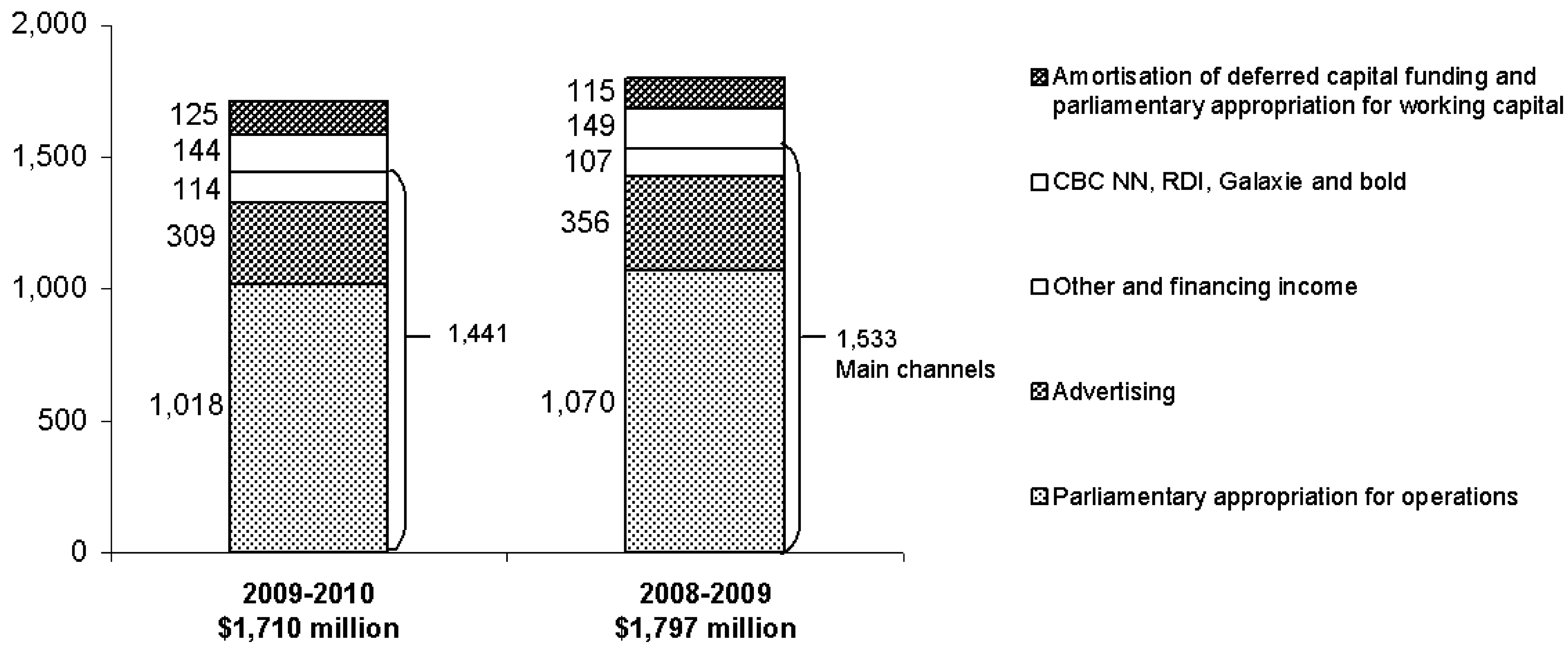


	2009-2010		2008-2009	
	millions of $	*%*	*millions of $*	*%*
CBC Television	655	36%	718	39%
Télévision de Radio-Canada	459	26%	429	23%
CBC Radio	202	11%	192	10%
Radio de Radio-Canada	145	8%	137	7%
Specialty services	118	7%	129	7%
Other	211	12%	243	14%
	1,790	**100%**	**1,848**	**100%**

* Excluding provision for income and large corporations taxes and minority interests.

REVENUES AND OPERATING SOURCES OF FUNDS - CBC|Radio-Canada

(millions of dollars)



Financial Review

CBC/Radio-Canada achieved ongoing success with audiences across all of our services in 2009-2010, overcoming significant financial challenges. The global economic slowdown, an environment of stagnant television advertising revenues, rising production costs, funding uncertainty — these short-term and long-term issues required the Corporation to develop and execute a Recovery Plan that eliminated approximately 800 full-time positions and included program cuts. This section details the impacts of our financial challenges and highlights how the Recovery Plan and our new long-term strategic planning process will allow us to meet these challenges while continuing to fulfil the terms of our mandate as Canada's national public broadcaster. The section begins with a review of 2009-2010 and concludes with our outlook for 2010-2011.

The Year in Review

For the year ended March 31	[illegible]	[illegible]
	(thousands of dollars)	
GOVERNMENT FUNDING AND REVENUES		
Parliamentary appropriation for operating expenditures	1,017,587	1,070,137
Amortisation of deferred capital funding and working capital	125,086	115,355
Advertising revenues	309,255	356,248
Other income, financing income and specialty services	258,426	255,904
Total	**1,710,354**	**1,797,644**
EXPENSES		
Television, radio and new media services costs	1,461,756	1,475,919
Other	328,463	371,795
Total	**1,790,219**	**1,847,714**
Non-operating revenues	**21,566**	**34,374**
Net results for the year	**(58,299)**	**(15,696)**

Impact of the Economic Slowdown

Canada suffered less than many countries from the most severe global economic slowdown in a generation, yet many industries were plunged into financial crisis, including the broadcasting sector.

CBC/Radio-Canada's net loss of $58.3 million in 2009-2010 is primarily explained by weak advertising revenues that were unable to compensate for programming cost increases. This shortfall was addressed through operating cost reductions which were funded with the proceeds gained from the sale of long-term notes receivable. The original receivables had been recognised as revenue in prior years.

Along with other conventional broadcasters, CBC/Radio-Canada felt the impact of stagnant television advertising revenues as companies affected by the slowdown continued their spending restraint. CBC/Radio-Canada saw its revenues from television advertising fall by about $65 million in 2008-2009 and $67 million in 2009-2010, compared to plan. At the same time, we were also faced with increased programming and fixed costs compared to last year and to lower-than-anticipated salary inflation funding.

The weakness in television advertising revenues was made worse but was not caused by the economic downturn. Driven by increased competition from specialty channels, the Internet and other media platforms, television advertising revenues ceased to increase regularly several years ago, a situation that has undermined the business model for all conventional television broadcasters. Our business plans, which project that advertising revenues will reach about $318 million in 2010-2011 (an amount virtually unchanged from three years ago), have partially addressed this situation by increasing our focus on integrated sales efforts.

Response to the Crisis – Our Financial Recovery Plan

In this climate of uncertainty — where the volatile advertising market continued to be difficult to forecast — we began 2009-2010 with financial pressures of $171 million. Unlike our private sector competitors, the Corporation has limited financial flexibility as it is unable to borrow to raise working capital and has no access to banking credit lines to manage its financial position. To balance our 2009-2010 budget, we made difficult financial decisions, guided by the overriding consideration that cuts must not damage our ability to remain a highly relevant public broadcaster for the 21st century.

To address this situation, we developed and successfully implemented a two-year financial Recovery Plan. This required eliminating approximately 800 positions (full-time equivalents) across the Corporation. Staff reductions commenced with voluntary departures in May 2009 and were substantially completed by the end of September 2009. The Plan also required the cancellation or scaling back of many programs, as well as increased program repeats throughout our schedules to make up for reduced content production. At the network level, current affairs, drama, music, and special event programming was reduced. In the regions, radio and television programming was reduced. Other impacts included reductions in services to minority language communities, elimination of Ukrainian and Cantonese programming on Radio Canada International and a cut in executive compensation.

The cost of making these reductions and program cuts included approximately $36 million in severance charges, for a total impact of $207 million or 11 per cent of our budget.

Sale of Assets Required

To fund the Recovery Plan and support programming until the savings from the budget reductions have materialised, the Corporation has sold its two long-term receivables.

In September 2009, the receivables from Stingray Digital Group, relating to the November 2007 sale of CBC/Radio-Canada's pay audio service Galaxie, were sold for $20.1 million.

In December 2009, the Corporation concluded the sale of the Ontrea Inc. receivables, tied to the past sale of land adjacent to the Canadian Broadcasting Centre in Toronto. The transaction raised $133 million, net of transaction costs.

These two sales generated $153 million to finance the two-year Recovery Plan, allowing the Corporation to address ongoing financial pressures, including $22 million in 2010-2011 in lost revenue as a result of the receivables sales, lower than previously anticipated advertising revenues in a recovering advertising market, continuing increases in programming and other costs, and the costs of maintaining and replacing aging infrastructure.

CBC Pension Plan

Continued economic volatility over the last year challenged all pension plans, including the defined-benefit CBC Pension Plan, but the Plan’s conservative and diversified asset mix protected the value of those assets. The CBC Pension Plan delivered an investment return of 13.1 per cent for calendar year 2009. The CBC Pension Plan Annual Report, which is available at *cbc.radio-canada.ca*, indicated that the Plan remains in a relatively solid financial position.

The net assets of the Plan increased from $3,810 million in 2008 to $4,153 million at the end of 2009, an increase of $343 million. As at December 31, 2009, the Plan's surplus, on a going concern basis, was estimated to be $427 million and the Plan's deficit, on a solvency or wind-up basis, was estimated to be $383 million, as falling interest rates caused solvency liabilities to rise over the year. This resulted in a going concern funding ratio of 112 per cent and a solvency ratio of 92 per cent, which places the Plan in the estimated top 20 per cent of Canadian pension plans according to a recent industry survey. This estimated financial position as at December 31, 2009, was determined based on projections and estimates from the Plan's last actuarial valuation, which was performed as at December 31, 2008.

In October 2009, the Minister of Finance released a proposed reform plan for federal private pension legislation and for the regulatory framework under which the CBC Pension Plan is governed. The proposed amendments include, amongst other things, measures to reduce funding volatility to enable plan sponsors to better manage their funding obligations, including a new standard for establishing minimum funding requirements on a solvency basis. A full assessment of the amendments will be possible when the related regulations are available. The effective dates of those amendments have not been announced in full as yet, and CBC/Radio-Canada continues to study the proposals and their impact.

Looking Forward: Challenges and Opportunities for 2010-2011

Additional Funding Sources: Some Resolution but Uncertainty Remains
This year, several Government and Canadian Radio-television and Telecommunications Commission (CRTC) decisions had major impacts on key funding sources for the Corporation.

Government Funding
CBC/Radio-Canada was subject in 2009-2010 to a Government Strategic Review evaluating programs and spending to identify the lowest-priority activities representing five per cent of our Government appropriation. The Government's March 2010 Budget stated "…reallocations were not necessary as programs delivered by [CBC/Radio-Canada] are aligned with the priorities of Canadians." This outcome removed some of the financial pressure facing the Corporation in 2010-2011, and we appreciate the Government's recognition of our services.

In March 2010, the Government also confirmed its intention to renew for an additional year the $60 million in funding for the Corporation to cover Canadian programming initiatives. CBC/Radio-Canada has been receiving this special funding on a year-by-year basis since 2001. It allows us to make enhanced investments in Canadian programming that would not otherwise be produced. While there is no confirmation, we are hopeful that this special funding will continue beyond 2010-2011.

At the same time, the Government's March 2010 Budget included federal deficit-reduction measures that affect all Crown departments, agencies and corporations, including a freeze on appropriation levels and elimination of salary inflation funding for the next three years. CBC/Radio-Canada has addressed this issue in its 2010-2011 business plans.

Local Programming Improvement Fund
In March 2010, the CRTC announced a policy decision about the Local Programming Improvement Fund (LPIF). The LPIF was created in 2008 to encourage broadcasters to provide diverse local television programming to smaller Canadian markets. The CRTC ruled that the LPIF would be maintained in its current form. As a result, cable and satellite companies, also called broadcasting distribution undertakings (BDUs), will continue to contribute 1.5 per cent of their gross broadcasting revenues to support local television programming in markets with populations of less than one million.

The CRTC's decision was favourable for CBC/Radio-Canada and good for the broadcasting industry overall. The LPIF contributed $20 million to the Corporation in 2009-2010 and is expected to contribute $34 million in 2010-2011. This funding allows us to sustain and, in many regions, expand and enhance our local programming in communities across the country. The CRTC will conduct a comprehensive review of the LPIF in 2011–2012.

Value-for-signal
Another CRTC decision, also in March 2010, was a significant disappointment to CBC/Radio-Canada. In its new framework for conventional television broadcasting, the CRTC allowed private broadcasters to negotiate a fair value for their signals with BDUs but denied that same right to CBC/Radio-Canada.

The CRTC ruled that private television broadcasters should be permitted to negotiate with BDUs to establish "the fair value of the product provided by those broadcasters to the BDU." Under the proposed regime, each private broadcaster must choose between remaining under the status quo regime of current regulatory protections, or entering into market-based negotiations with BDUs. If a broadcaster and a BDU cannot come to an agreement, the broadcaster can require the BDU to cease broadcasting its programming.

The CRTC excluded CBC/Radio-Canada from this arrangement, stating that "it would be inconsistent to permit CBC/Radio-Canada to require deletion of its programming from a BDU and hence prevent the public from receiving its programming." The CRTC also stated that the Corporation's "distinctive situation and needs" will be addressed in the context of its licence renewal process, anticipated to occur in 2011-2012.

During public hearings in 2009 that considered arguments for and against value-for-signal, the CRTC received conflicting legal opinions on whether or not it has the authority to require negotiations between broadcasters and BDUs. To resolve this uncertainty, the CRTC asked the Federal Court of Appeal for clarification on CRTC jurisdiction under the *Broadcasting Act*. The CRTC asked the Court to expedite its request, and the hearing is set for September 2010.

Canada Media Fund
Also in March 2010, the CRTC announced that in its first year of operation, beginning in April 2010, the new Canada Media Fund (CMF) will provide $12.6 million less funding for programs intended for broadcast on CBC/Radio-Canada than was provided by its predecessors, the Canadian Television Fund (CTF) and the Canada New Media Fund (CNMF), in 2009-2010. As a result, some independent producers may not proceed with their projects and the Corporation, which invests more in Canadian television programming than all other conventional television networks combined, expects to present less original Canadian programming. The final funding rules for the CMF will not be in place until 2011, however. It is our hope that the final rules will reflect the original intent of the CMF, which was to focus on the production of original Canadian prime-time programming, a field in which we are the undisputed leader.

Specialty Services and Other Revenues – Key Funding Sources
Along with its annual appropriation of funds from Parliament and its advertising revenues, CBC/Radio-Canada relies on revenues from subscription services and ancillary activities.

CBC/Radio-Canada generates subscription revenues from its wholly owned specialty services, CBC News Network, **bold**, and Réseau de l'information de Radio-Canada (RDI), and from our 82 per cent ownership of *documentary.* Subcription revenues are relatively steady and were not adversely affected by the economic downturn. The Corporation continues to pursue projects for additional specialty channels.

The CRTC eliminated wholesale rate regulation in its 2006 Digital Migration Framework policy. In that policy decision, the CRTC indicated that it expected that established wholesale rates would likely continue, or if they did not, could provide a useful reference point for dealing with rate disputes between BDUs and broadcasters. The CRTC also indicated, in another major policy decision, that if BDUs were to drop or substantially alter the terms of carriage for Canadian news specialty services, that it would consider applications from those services for mandatory distribution at a regulated rate. The possibility of this action combined with CBC/Radio-Canada's ability to successfully negotiate to maintain these wholesale rates has mitigated a significant amount of the risk associated with rate deregulation.

A key aspect of CBC/Radio-Canada's strategy is to find ways to leverage our assets to generate revenue that can then be reinvested in programming. Self-generated revenue comes from across the Corporation. For example, the media generate revenue through program sales, facilities rentals, CBC News/RDI Express in airports, and advertising on *CBC.ca* and *Radio-Canada.ca.* Other revenues are generated from merchandising, building rentals, parking fees, and leasing space on our transmitters. While these revenues can vary significantly from year to year, making it challenging to include them in our long-term planning, self-generated revenues play a critical role in allowing us to renew and extend our programming to reach more Canadians in more ways with the content they want. CBC/Radio-Canada is increasingly focused on integrating its sales approach across all of its services and platforms in order to maximise these revenues.

Ongoing Capital Funding Pressures
In addition to uncertainty about operational funding, the Corporation is also facing continuing capital funding pressures that make it difficult to respond to all demands within the limits of our existing capital budget.

In 2009, the Corporation created a Technology Strategy Board (TSB), representing both its media and technology units, to take CBC/Radio-Canada into the future and help manage its capital pressures. The TSB oversees the governance of the Corporation's technology infrastructure and has been charged with producing and implementing a corporate-wide technology strategy to guide the Corporation's decisions in this challenging and highly promising area over the next five years.

Many of the capital pressures are the unavoidable consequence of technological changes in the capital intensive broadcasting industry, including the transition to HD and DTV, and the transition to computer and software-based production systems that demand a faster replacement cycle.

An additional factor is the CRTC's decision requiring a significant roll-out of DTV transmitters by August 2011 in their defined mandatory markets across Canada. CBC/Radio-Canada is examining this CRTC document and will see, with its existing resources, how much it can reasonably accomplish in this regard.

This problem is exacerbated by the overlap with the replacement cycle for aging transmission towers and radio transmitters introduced during the Accelerated Coverage Program (ACP) of the late 1970s and early 1980s. A new Transmitter Asset Strategy is being developed to address this issue. It is expected that the strategy will be approved and put into effect early in the next fiscal year.

Overall, the Corporation's base capital appropriation has not increased since the 1990s and is now insufficient to address the convergence of these pressures. Vote transfers from operating appropriations continue to be required to fund the Corporation's capital budget.

Over the next three years, the Corporation plans to spend approximately 37 per cent of its capital budget on production infrastructure and 30 per cent on presentation, collection, distribution and delivery. We plan to invest the remaining 33 per cent in enterprise systems and technology infrastructure, property management, fleet, and other minor capital purchases.

New Strategic Planning Process
To ensure that CBC/Radio-Canada has the capacity to adapt quickly to changing conditions in the broadcasting environment, in early 2010 we began to develop a forward-looking strategic plan that we call *Driving Towards 2015*. By bringing more clarity to the Corporation's strategic choices and to our allocation of scarce resources, this new long-term strategic plan will help to ensure that we address our ongoing financial challenges and continue to lead the transformation of Canadian broadcasting. We believe that both the planning process and the plan itself represent a very positive step forward, the results of which will benefit Canadians by helping us to deliver even more effectively on our mandate. The plan is expected to be completed in the fall of 2010 and implementation will start with the 2011-2012 business plans.

Enhancing Corporate Transparency

A key aspect of one of the Corporation's three corporate priorities, Pushing Forward, is to enhance corporate transparency. In this spirit, the following sections provide an overview of the Corporation's risk management process, key risks, internal controls, and more comprehensive financial reporting standards for the coming year.

Risk Management
As Canada's national public broadcaster, CBC/Radio-Canada occupies a special place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must adapt to technological changes, shifts in demographics, evolving consumer demands, as well as structural changes in the industry. As a public broadcaster with a statutory mandate to serve all Canadians, however, CBC/Radio-Canada also faces a unique set of financial and political risks.

CBC/Radio-Canada's Risk Management Program is an enterprise-wide framework integrated into business processes. Responsibility for risk management is shared amongst CBC/Radio-Canada's Board of Directors; the Board's Audit Committee; the Senior Executive Team; Internal Audit; and operational units.

The Board oversees CBC/Radio-Canada's key risks at a governance level, approves major policies and ensures that the processes and systems required to manage risks effectively are in place.

The Board's Audit Committee monitors key risks by discussing their status with management at quarterly Audit Committee meetings, and by ensuring that management has programs for evaluating the effectiveness of internal controls.

The Senior Executive Team identifies and manages risks, reports on CBC/Radio-Canada's key risks to the Audit Committee and to the Board, recommends policies, and oversees financial reporting and internal control systems.

Internal Audit plans its audits in accordance with the results of the risk assessment process, ensuring that major risks are covered on a rotational basis by the annual audit plan.

Media and support business units identify and assess risks through the annual business plan process, and develop and execute detailed action plans to manage key risks. Risks are prioritised, based on their potential impacts and on their likelihood of occurring, and are reported to the Board of Director's Audit Committee on a quarterly basis.

Key Risks

The following table discusses the key risks faced by CBC/Radio-Canada during fiscal 2009-2010:

Key Risk	Risk Mitigation	Risk Trend 2009-2010	Future Impact
Advertising Revenue ▪ Softening advertising market due to general economic conditions. ▪ Shift from conventional television advertising to specialty channel and broadband advertising.	▪ Reduced costs through implementation of Recovery Plan. ▪ Continued to evolve strategies based on traditional, integrated and digital sales targets. Entry into more comprehensive on-demand market.		▪ Advertising revenues are expected to stabilise in 2010-2011. Reserves have been set aside as a contingency. ▪ Continue to review business opportunities to broaden CBC/Radio-Canada's reach. Specialty channel projects are under development.
Government Policy The impact of government policies on the broadcasting and communications industries may affect the business model of broadcasters, including CBC/Radio-Canada.	▪ Discussed issues with Government officials. ▪ Participated in committees and studies. ▪ Continued developing a new economic model to sustain CBC/Radio-Canada.		▪ Continue with risk mitigation strategies undertaken in 2009-2010.
Government Funding Government fiscal pressures may affect CBC/Radio-Canada funding: ▪ Renewal of $60 million received on a one-time basis since 2001-2002. ▪ Strategic Review initiated by the Federal Government during 2009-2010.	▪ Conducted scenario planning for potential outcomes. ▪ Provided comprehensive Strategic Review Report to Government.		▪ Intention to renew $60 million confirmed for 2010-2011. ▪ Strategic Review results were issued in the Federal Budget tabled on March 2010. The Review concluded that no reduction of CBC/Radio-Canada's funding was deemed necessary. ▪ The Government introduced a deficit reduction agenda in the Federal Budget; therefore, funding declines remain a key risk.
Strategy, Budget and Planning ▪ Meeting Recovery Plan cost reduction targets. ▪ Limited financial flexibility. ▪ Delay in timing of asset sale approvals affects implementation of the Recovery Plan. ▪ Structural changes in the conventional broadcasting sector require long-term strategy reformulation.	▪ Implemented and monitored Recovery Plan. Targeted budget reductions achieved. ▪ Asset sales were successfully completed. ▪ More transparency to stakeholders by increasing the volume and frequency of financial information made public.		▪ Launch in January 2010 of a review of CBC/Radio-Canada's long-term strategy. ▪ The March 2010 Federal Budget froze operating appropriation budgets at March 2010 levels. Salary inflation will not be funded for the next three years. ▪ Develop a quarterly financial reporting plan for external reporting.

Key Risk	Risk Mitigation	Risk Trend 2009-2010	Future Impact
Infrastructure Replacements & Optimisation Limited resources to meet capital asset needs for:			
a) Building repairs and renovation.	▪ Scheduled and prioritised maintenance, with emphasis on health and safety and business continuation.		▪ Additional budgets over the next three years have been allocated to priority building maintenance projects.
b) Replacement of aging broadcasting equipment and transition to high definition (HD) production.	▪ Replacement will continue with available resources on a prioritised basis. Majority of production facilities in Montréal and Toronto network centres have been converted to HD.		▪ Comprehensive review of major asset pools and refresh rates is underway. ▪ Replacement will continue with available resources on a prioritised basis.
c) Radio transmitter sites across the country are nearing the end of their useful life.	▪ Funded incrementally from current capital budget on an absolute need basis. To monetise its television and radio transmitter infrastructure, CBC/Radio-Canada issued a public Request For Proposal in 2009-2010. Industry proposals did not present a compelling opportunity, however.		▪ A new transmitter asset strategy is being developed to reduce the size and investment requirements of the current system.
d) Exploiting real estate assets to reduce excess space and reduce costs.	▪ Reviewed options for exploiting excess space.		▪ Continue to review options for exploiting excess space.
DTV Transition In March 2010, the CRTC reaffirmed the deadline for transition to Digital Television (DTV) over-the-air transmission as August 31, 2011 and increased the planned markets to be served by DTV. The CRTC's plan would require CBC/Radio-Canada to install additional transmitters beyond its existing plan.	▪ As of March 2010, the total number of transmitters on air is eight. ▪ CBC/Radio-Canada has undertaken a detailed assessment of its ability to meet the CRTC's plan.		▪ Monitor and assess further developments and continue engaging with the regulatory community.
Regulatory Decisions **a) Value-for-signal and Local Programming Improvement Fund (LPIF)** A decision to not grant value-for-signal (VFS) would leave CBC/Radio-Canada reliant on two uncertain sources of funding (conventional television advertising and Government funding).	▪ Worked with stakeholders and industry to demonstrate why CBC/Radio-Canada, like other broadcasters, should be able to charge for what it produces. ▪ Maximised LPIF eligibility.		▪ In March 2010, CBC/Radio-Canada was denied the right to negotiate fair value for its signals with cable and satellite companies; private broadcasters were given the right. The CRTC's framework for VFS has been sent to the Federal Court by the CRTC in order to confirm its legality. ▪ The CRTC indicated that "(…) the distinctive situation and needs of the CBC/Radio-Canada will be addressed in the context of the public broadcaster's next licence renewal." ▪ LPIF funding has been confirmed by the CRTC for the broadcast year ending August 2011. CBC/Radio-Canada expects to receive $34 million.

Key Risk	Risk Mitigation	Risk Trend 2009-2010	Future Impact
b) Licence Review Licence renewal hearings for all of the Corporation's English-language services (television and radio) may occur in 2010-2011 or be deferred to 2011-2012.The French-language licence hearings are expected after the English-language services hearings.	▪ Will work with CRTC to reach mutually acceptable conditions of licence.		▪ The licence renewal schedule has not yet been officially announced by the CRTC, but CBC/Radio-Canada's hearings are expected to occur in the 2011-2012 to 2012-2013 period.
CMF (formerly CTF) Challenges ▪ Canada Media Fund (CMF), created in March 2009 to replace the Canadian Television Fund (CTF) and the Canada New Media Fund (CNMF), could result in reduced funding for CBC/Radio-Canada.	▪ Participated in CMF governance to advance the Corporation's position.		▪ In April 2010, CBC/Radio-Canada was informed that its CMF access for the upcoming broadcast year would be $96.5 million, a $12.6 million reduction from last year. ▪ Impacts are being reviewed but will likely result in less prime-time Canadian programming. ▪ The new rules under development are expected during 2010-2011.
Impact of Consolidation and Emerging Platforms **a) Consolidation** Structural changes in the industry may affect CBC/Radio-Canada's relative position in the marketplace. **b) Emerging Platforms**Loss of conventional broadcast audiences to emerging platforms.	▪ Monitored developments and assessed impact on CBC/Radio-Canada. ▪ Developed contingency plans as necessary. ▪ Developed enhanced emerging platform strategies and began implementation.		▪ Potential changes to foreign ownership rules and/or a major domestic player change in the broadcasting industry may create additional challenges. ▪ Continue to implement enhanced emerging platform strategies.
Business Interruption Unforeseen event could affect the Corporation's ability to deliver services.	▪ Ensured emergency plans and business continuity plans were updated. ▪ Continued investment in an IT Disaster Recovery Plan on all mission-critical systems.		▪ Continue to develop and test plans.
Conversion to IFRS CBC/Radio-Canada will need to adopt International Financial Reporting Standards (IFRS) for the year ending March 31, 2012.	▪ Comprehensive IFRS transition project is being implemented.		▪ During 2010-2011, comparative information on an IFRS basis will be developed.
Challenges to Recruiting, Training, Retaining, and Empowering a Skilled Workforce	▪ Communicated CBC/Radio-Canada's mission and strategies. ▪ Formulated diversity strategy and equity action plan. ▪ Implemented talent management strategy.		▪ Continue employee communication strategy. ▪ Continue to implement the 2009-2012 Corporate Diversity and Equity Action Plan. ▪ Continue talent management strategy implementation.

LEGEND

Risk Trend: Decreasing Stable Increasing

Internal Controls

The Corporation uses a risk-based internal control process, based on the Committee of Sponsoring Organizations' (COSO) framework, under which the Corporation annually reviews and assesses key internal controls over financial reporting. This process is evolving towards the best practice requirements from the Proposed Certification Regime for Crown Corporations of the Treasury Board Secretariat (TBS), as well as National Instrument 52-109 of the Canadian Securities Administration (CSA), even though CBC/Radio-Canada is not subject to CSA requirements.

In 2009-2010, the Corporation assessed the effectiveness of internal controls on financial reporting. The assessment concluded that the controls are operating effectively and identified some opportunities for improvement, which will be addressed in the coming year. The assessment did not cover internal disclosure controls and procedures, which have not yet been documented and evaluated.

More Thorough Reporting Standards

Quarterly Reporting

As a result of Bill C-51 being passed by Parliament in December 2009, all Crown Corporations will be required to issue financial reports, including Management Discussion and Analysis (MD&A), within 60 days of the end of every quarter (excluding quarters when annual reports are published). The first required report will be for the quarter ending June 30, 2011. In May 2010, the Treasury Board Secretariat issued Standards on Quarterly Financial Reports for Crown Corporations.

The quarterly reports will need to include the following:

- Complete financial statements (with comparison to prior year)
- Narrative discussion
- Risk analysis
- Analysis of significant changes to the business since the publication of the most recent Annual Report
- Reporting on the use of appropriations
- Attestation by senior officials (i.e., CEO/CFO).

CBC/Radio-Canada is committed to developing best-in-class quarterly financial reports and has established a Steering Committee and plan to achieve implementation of the new requirements.

Critical accounting estimates

The Corporation's significant accounting policies are described in the notes to the consolidated financial statements. The preparation of the financial statements in conformity with Canadian generally accepted accounting standards requires the use of estimates, judgment and assumptions.

Critical accounting estimates include the useful lives of programming assets, the useful lives of property, equipment and intangibles, contingencies and employee-related liabilities.

Useful lives of programming assets
Management determines the useful lives of programming assets based on past broadcast experiences, audience results and future telecast plans. The expense recognition schedule is reviewed periodically or when significant changes in the programming schedule are made. Detailed information on the expense recognition schedule is provided in Note 2 E to the consolidated financial statements.

Property, equipment and intangibles
Property, equipment and intangible assets are amortised over their estimated useful lives. Useful lives are based on management's best estimate of the periods of service provided by the assets. Detailed information on the estimated useful lives are presented in Note 2 D to the consolidated financial statements.

Contingencies
Contingencies are recorded as liabilities to the extent that it is likely that the future events will result in a loss and the amount of such loss can be reasonably estimated. Further information on the Corporation's contingencies is provided in Note 18 to the consolidated financial statements.

Employee future benefits
Pension and other employee benefit costs and obligations are dependent on the use of assumptions to calculate such amounts. The discount rate, the expected long-term rate of return on plan assets and the long-term rate of compensation increases are all important elements in determining the costs and obligations. All assumptions are reviewed by management on an annual basis. Additional information on assumptions used for calculating pension and other employee benefit costs and obligations are presented in Note 10 to the consolidated financial statements.

Adoption of New Accounting Standards
The consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as set out by the Canadian Institute of Chartered Accountants (CICA). The impact of current year changes in Canadian GAAP is described below:

Goodwill and Intangible Assets
Effective April 1, 2009, the Corporation adopted the Canadian Institute of Chartered Accountants (CICA) Section 3064 Goodwill and Intangible Assets, which replaced Section 3062, Goodwill and Other Intangible assets. This new section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. Following the adoption of Section 3064, the Corporation has reclassified prior period figures to reflect this change. The new standard required the Corporation to reclassify the net carrying value of computer software that met the definition of intangible assets from property and equipment to intangible assets.

Financial Instruments
In June 2009, the CICA issued amendments to Section 3862 Financial Instruments – Disclosures that increase harmonisation with International Financial Reporting Standards (IFRS). Section 3862 provides expanded disclosure requirements regarding fair value measurements, including the relative reliability of the inputs used in those measurements and the liquidity risk of financial instruments. The standard also requires disclosure of a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The applicable disclosures required under this standard are reflected in the Corporation's consolidated financial statements.

International Financial Reporting Standards (IFRS)
In February 2008, the Canadian Accounting Standards Board of the CICA announced that all publicly accountable Canadian reporting entities will adopt IFRS as Canadian generally accepted principles for years beginning on or after January 1, 2011. The changeover date for full adoption of IFRS will be April 1, 2011 for the Corporation. The Corporation's 2011-2012 Consolidated Financial Statements must comply with IFRS. The standards also require that the Corporation present complete comparative figures based on IFRS methodology in the 2011-2012 consolidated financial statements.

In September 2009, the Public Sector Accounting Board approved amendments to the 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 must determine the most appropriate basis of accounting. After assessing various factors, the Corporation has established that IFRS is the most appropriate basis of accounting.

IFRS Transition Plan
To meet the IFRS transition requirements, CBC/Radio-Canada has established an enterprise-wide multidisciplinary IFRS project team governed by a Steering Committee. As part of the IFRS changeover plan and governance model, the project provides regular progress reporting to the Audit Committee of the Board of Directors.

The transition plan comprises three phases: (i) IFRS diagnostic assessment and planning; (ii) detailed evaluation and implementation; and, (iii) completion and integration of all system and process changes.

To date, CBC/Radio-Canada has completed the analysis of the impact of IFRS on external financial reporting and has successfully implemented the parallel reporting solution to be used for the 2010-2011 reporting year. In addition, the Corporation is performing a business impacts analysis, identifying the potential impacts to the people and processes involved to transact and monitor our business. Activities are underway to ensure adequate training of those affected and to modify processes and systems to ensure readiness for 2011.

IFRS Transition Impact
Although quantification of the financial impacts due to the transition to IFRS on CBC/Radio-Canada is currently in progress and has not been finalised, based on our implementation activities to date and the standards in effect as of March 31, 2010, we expect the required changes to our accounting policies to have a material impact on our financial statements. There will be adjustments to our opening equity upon implementation of these standards in addition to changes to the Corporation's consolidated financial statements presentation and expanded financial statement note disclosure.

The first-time adoption of IFRS requires that the Corporation adjust its accounting policies to meet the requirements of IFRS in effect on the transition date. These policies will form the ongoing basis of accounting for the Corporation. First-time adoption also requires that, upon initial application, these policies are retrospectively applied subject to some elective or prescribed areas where prospective application is either permitted or required.

While IFRS represents a principle-based framework similar to Canadian GAAP in many aspects, there are significant requirement differences in some areas with respect to recognition, measurement and disclosure. At this time, the Corporation has identified major differences relating to:

- Property and equipment
- Employee future benefits (including pensions)

IFRS 1 – First-time adoption of IFRS
IFRS 1 *First-time Adoption of IFRS* ("IFRS 1") is applicable when an entity adopts IFRS for the first time by an explicit and unreserved statement of compliance to IFRS in its financial statements. Although the adoption of the IFRS standards is to be presented retrospectively, IFRS 1 provides certain elective exemptions that provide an alternative implementation basis.

CBC/Radio-Canada has not yet finalised all such first-time adoption decisions, but expects to exercise elective exemptions in the following areas:

- Business combinations
- Property and equipment (fair value on transition for selected assets)
- Leases (IFRIC 4 "Determining whether an arrangement contains a lease")
- Assets and liabilities of subsidiaries and associates
- Decommissioning liabilities included in the cost of property, plant and equipment
- Borrowing costs.

IAS 16 – Property, Plant and Equipment
IAS 16 *Property, Plant and Equipment* ("IAS 16") permits a choice between the revaluation model and cost model for the Corporation's plant and equipment. Consistent with the current policy, CBC/Radio-Canada will apply the cost model. The Corporation expects to elect to apply the Deemed Cost Election under IFRS 1 to revalue its real estate land and building assets to their fair market value upon the transition date of April 1, 2010. The difference between the carrying amount and the fair value of these assets will be reflected as an adjustment to our opening retained earnings. We expect this adjustment to be material.

All other property and equipment are expected to be transitioned at their current cost.

IAS 19 – Employee Benefits
The application of IAS 19 *Employee Benefits* ("IAS 19") will primarily affect the accounting for the Corporation's pension costs and obligations. Although the impacts of the options available under IFRS 1 and IAS 19 are currently being analysed by CBC/Radio-Canada, we anticipate the adjustments to our opening retained earnings to be material. The final decisions as to elections of transitional provisions and post-transitional policies will be made during the current fiscal year.

IAS 36 – Impairment of Assets
The IFRS guidance under IAS 36 *Impairment of Assets* ("IAS 36") differs from Canadian GAAP with respect to the definitions of impairment and recoverability, as well as in the methodologies used to calculate future cash flows. The standard does not provide guidance for an entity that, as a Crown Corporation, receives a significant portion of its cash flows from Government appropriations. The Corporation will include Government appropriations in the cash flow estimates used to calculate recoverability as defined in IAS 36.

We do not expect material adjustments as a result of the transition to this IFRS standard.

IAS 38 – Intangible Assets
In February 2008, the CICA issued Section 3064 *Goodwill and Intangible Assets* ("CICA 3064"), guidance that the Corporation adopted effective April 1, 2009. CICA 3064 provides the Canadian equivalent of IAS 38 *Intangible Assets* ("IAS 38"). As a result of the new guidance, CBC/Radio-Canada has adopted the accounting methodology of CICA 3064, and consequently, IAS 38 for programming assets.

We did not have material adjustments as a result of adopting this standard.

Evolution of IFRS Standards
During the 2010 and 2011 calendar years, the International Accounting Standards Board (IASB) anticipates the completion of several projects that will result in the changes to IFRS standards currently in effect. The Corporation monitors the status of these projects and, when possible, considers the impacts of any actual or potential changes to the IFRS in its changeover plan.

THE FINANCIALS

ANALYSIS OF THE 2009-2010 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS
(thousands of dollars)

	2010	2009	Variance	%
Cash and cash equivalents	50,003	33,160	16,843	50.8%

Cash and cash equivalents increased by $16.8 million mainly due to lower programming related disbursements as well as cash management initiatives related to the Corporation's financial recovery plan.

	2010	2009	Variance	%
Accounts receivable	194,512	153,012	41,500	27.1%

Accounts receivable increased by $41.5 million mainly due to a portion of the Parliamentary appropriation (Supplementary C) which was approved by the Government as of March 31, 2010 but received during April 2010.

	2010	2009	Variance	%
Programming	178,243	202,887	(24,644)	(12.1%)

Programming assets decreased by $24.6 million mainly due to a decrease in the level of programming rights available for broadcast as of March 31, 2010. Depending upon their availability for broadcast, programming rights are presented as programming (when immediately available) or prepaid expenses (when available within 12 months) or deferred charges (when available for broadcast after more than 12 months).

	2010	2009	Variance	%
Prepaid expenses	148,215	57,905	90,310	156.0%

Prepaid expenses increased by $90.3 million primarily as the result of a higher level of sports and other programming rights paid in advance in 2009–2010 for broadcast in future periods.

	2010	2009	Variance	%
Intangible assets	47,725	59,735	(12,010)	(20.1%)

Intangible assets, which are comprised of software related assets, decreased by $12 million year over year mainly due to the associated amortisation expense. Intangible assets are amortised over a three to five year period.

	2010	2009	Variance	%
Long-term receivables	11,794	76,985	(65,191)	(84.7%)

Long-term receivables decreased by $65.2 million principally due to the sale of future Ontrea receivables to a qualified special purpose entity (Monetisation Trust). Additional information regarding the sale is provided in Notes 7 and 13 to the consolidated financial statements. These receivables from Ontrea were tied to the previous sale of land adjacent to the Canadian Broadcasting Centre in Toronto and were monetised to allow the Corporation to complete its financial Recovery Plan in 2009-2010.

	2010	2009	Variance	%
Investment in sales-type leases	-	60,786	(60,786)	(100.0%)

The **investment in sales-type leases** was sold to the qualified special purpose entity (Monetisation Trust) in 2009-2010. Additional information about this agreement is provided in Notes 7 and 13 to the consolidated financial statements.

LIABILITIES
(thousands of dollars)

	2010	2009	Variance	%
Accounts payable and accrued liabilities	176,497	141,041	35,456	25.1%

Accounts payable and accrued liabilities increased year over year by $35.5 million due to timing differences in the Corporation's purchasing and payment profile.

	2010	2009	Variance	%
Pension plans and employee-related liabilities [current]	130,899	157,219	(26,320)	(16.7%)

As of March 31, 2010, the majority of the contractual termination benefits relating to the workforce reduction plan announced and accrued in 2008-2009 were paid. This mainly explains the decrease of $26.3 million in **pension plans and employee-related liabilities [current]**.

	2010	2009	Variance	%
Financial guarantee	10,419	-	10,419	n/a

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. More information about this financial guarantee is provided in Notes 7 and 13 to the consolidated financial statements.

	2010	2009	Variance	%
Financial liability related to the monetisation of receivables (current and long term)	20,395	-	20,395	n/a

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 the Galaxie service, transaction described in Note 22 to the consolidated financial statements. In September 2009, the Corporation entered into a transaction with an unrelated 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 Canadian generally accepted accounting principles, 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. More information about this agreement is provided in Notes 7 and 14 to the consolidated financial statements.

	2010	2009	Variance	%
Deferred revenues (current and long term)	4,488	19,108	(14,620)	(76.5%)

The decrease of $14.6 million in **deferred revenue** is mainly due to changes under the Affiliate Agency agreement and the Asset Purchase agreement between CBC/Radio-Canada and Stingray Digital Group Inc. (the Acquirer). In October 2009, remaining broadcast distribution undertakings (BDU) contracts have been assigned to the Acquirer. In 2009-2010, revenues representing $16.3 million were recognised and presented as Non-operating revenues in the Consolidated Statement of Operations.

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

The variance in **pension plans and employee related liabilities [long term]** is mainly caused by an increase in amortisation of actuarial losses partially offset by a change in discount rates from 5.25% to 5.75%.

CONSOLIDATED STATEMENT OF OPERATIONS

REVENUES

(thousands of dollars)

	2010	2009	Variance	%
Advertising	309,255	356,248	(46,993)	(13.2%)

Total **advertising revenues** were lower by $47 million in 2009-2010, mainly due to the Beijing 2008 Olympic Games held in 2008-2009 and also reflecting the continued slow recovery of advertising levels in the television broadcast sector.

	2010	2009	Variance	%
Other income	107,021	95,375	11,646	12.2%

Other income increased by $11.6 million mainly due to new contributions received from the Local Programming Improvement Fund (LPIF). This impact of the new contribution is partially offset by losses resulting from the fair value of financial instruments and exchange rates.

EXPENSES

(thousands of dollars)

	2010	2009	Variance	%
Television, radio and new media services costs	1,461,849	1,475,919	(14,070)	(0.10%)

Television, radio and new media services costs decreased by $13.2 million principally due to the Beijing 2008 Olympic Games costs included in the 2008-2009 results. The decrease is partially offset by increased Pension Plan contributions. In 2008-2009, the results reflected partial year Pension Plan contributions due to a contribution holiday. Increased programming rights costs and additional investments in marketing and sales also offset a portion of the decrease.

	2010	2009	Variance	%
Specialty services	118,331	129,375	(11,044)	(8.5%)

The decrease in specialty services costs is mainly explained by Galaxie's operations which were fully transferred to Stingray Digital Group Inc. as of October 31, 2009, partially offset by an increase in CBC News Network costs resulting from a change in programming strategy.

	2010	2009	Variance	%
Payments to private stations	3,697	10,002	(6,305)	(63.0%)

Payments to private stations decreased by $6.3 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.

	2010	2009	Variance	%
Workforce reduction plan	907	34,993	(34,086)	(97.4%)

Most of the costs relating to the workforce reduction plan were accrued in 2009 and paid in 2010. It is expected that a remaining $1.9 million will be paid in 2011.

GOVERNMENT FUNDING
(thousands of dollars)

	2010	2009	Variance	%
Parliamentary appropriation for operating expenditures	1,017,587	1,070,137	(52,550)	(4.9%)

The decrease in parliamentary appropriation for operating expenditures is partially explained by a transfer to capital funding $20.6 million higher than in the previous year. Further, the funding cut for procurement efficiency announced in the 2007 Federal Budget increased by $2.9 million in 2009-2010 (from $6.6 million in 2008-2009 to $9.5 million in 2009-2010).

In addition, in 2008-2009 appropriations included $20 million reprofiled from a prior year to help fund the Beijing Summer Olympics, which was a non-recurring item.

NON-OPERATING REVENUES
(thousands of dollars)

	2010	2009	Variance	%
Gain on sale of receivables	5,240	-	5,240	n/a

The **gain on sale of receivables** represents the net gain resulting from the monetisation promissory notes as well as finance lease receivables transferred to the qualified special purpose entity (Monetisation Trust) as described in Note 7 to the consolidated financial statements.

	2010	2009	Variance	%
Galaxie non-operating revenues	16,326	34,374	(18,048)	(52.5%)

Galaxie **non-operating revenues** represent a portion of the revenues relating to the sale of Galaxie. Since all of the remaining BDU contracts have been assigned as of March 31, 2010, the oustanding balance of deferred revenues relating to the sale of Galaxie has been recognised in 2009-2010 non-operating revenues.

NET RESULTS FOR THE YEAR
(thousands of dollars)

	2010	2009	Variance	%
Net results for the year	(58,299)	(15,696)	(42,603)	(271.4%)

The 2009-2010 **net results of the year** represent a loss of $58.3 million, mainly explained by a shortfall resulting from advertising revenue decreases and programming cost increases. This shortfall was addressed through the Corporation's recovery plan in 2009-2010, which was funded by the proceeds generated from the sale/monetisation of receivables. Those proceeds were largely recognised in the income statement in previous years, years in which the sale of assets occurred.

FINANCIAL HIGHLIGHTS FROM THE PAST FIVE YEARS

For the year ended March 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
			(millions of dollars)		
GOVERNMENT FUNDING AND REVENUES					
Parliamentary appropriation for operating expenditures	1,018	1,070	990	974	1,006
Amortisation of deferred capital funding and working capital	125	115	106	97	122
Advertising revenues	309	356	317	319	305
Other income, financing income and specialty services	258	257	246	240	238
Total	**1,710**	**1,798**	**1,659**	**1,630**	**1,671**
EXPENSES					
Television, radio and new media services costs	1,462	1,476	1,409	1,377	1,367
Other	328	372	322	318	344
Total	**1,790**	**1,848**	**1,731**	**1,695**	**1,711**
Non-operating revenues	**22**	**34**	**38**	**-**	**-**
Net results for the year	**(58)**	**(16)**	**(34)**	**(65)**	**(40)**

LIQUIDITY RATIO					
For the year ended March 31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Current ratio[1]	1.64	1.41	1.47	1.30	1.46
Quick ratio[2]	1.12	0.77	0.83	0.88	1.02

1 Current assets/current liabilities

2 (Current assets-programming and merchandising)/current liabilities

Unaudited

Consolidated Balance Sheet

As at March 31

	[illegible]	[illegible]
	(thousands of dollars)	
ASSETS		
Current		
Cash	50,003	33,160
Accounts receivable	194,512	153,012
Programming (NOTE 4)	178,243	202,887
Merchandising inventory	1,703	5,747
Prepaid expenses	148,215	57,905
Net investment in sales-type leases	-	2,068
Derivative financial instruments (NOTE 26)	-	4,559
	572,676	**459,338**
Long-term		
Property and equipment (NOTE 5)	925,812	929,982
Intangible assets (NOTE 6)	47,725	59,735
Long-term receivables (NOTE 7)	11,794	76,985
Net investment in sales-type leases	-	60,786
Deferred charges	14,763	12,514
Long-term investments (NOTE 8)	7,260	6,565
	1,580,030	**1,605,905**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (NOTE 9)	176,497	141,041
Pension plans and employee-related liabilities (NOTE 10)	130,899	157,219
Bonds payable (NOTE 12)	19,223	18,834
Financial guarantee (NOTE 13)	10,419	-
Financial liability related to the monetisation of receivables (NOTE 14)	10,174	-
Deferred revenues	2,185	8,625
Derivative financial instruments (NOTE 26)	297	-
	349,694	**325,719**
Long-term		
Long-term investments (NOTE 8)	1,417	1,417
Deferred revenues	2,303	10,483
Pension plans and employee-related liabilities (NOTE 10)	412,732	393,974
Bonds payable (NOTE 12)	309,179	318,412
Financial liability related to the monetisation of receivables (NOTE 14)	10,221	-
Deferred capital funding (NOTE 15)	632,221	635,378
	1,368,073	**1,359,664**
Minority interests	**319**	**279**
EQUITY		
Retained earnings (deficit) (NOTE 16)	(138,056)	(79,757)
	(138,056)	**(79,757)**
	1,580,030	**1,605,905**

Commitments and contingencies (NOTES 17 and 18)

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

APPROVED BY THE
BOARD OF DIRECTORS:

DIRECTOR DIRECTOR

DRAFT

Unaudited

Consolidated Statement of Operations

For the year ended March 31

	[illegible]	[illegible]
REVENUES	*(thousands of dollars)*	
Advertising	309,255	356,248
Specialty services (NOTE 19)	144,352	148,777
Other income (NOTE 20)	107,021	95,375
Financing income	7,053	11,752
	567,681	**612,152**
EXPENSES		
Television, radio and new media services costs	1,461,849	1,475,919
Specialty services (NOTE 19)	118,331	129,375
Amortisation of property and equipment	110,063	105,241
Amortisation of intangible assets	17,617	12,682
Transmission, distribution and collection	61,562	63,653
Corporate management	16,255	15,721
Payments to private stations	3,697	10,002
Workforce reduction plan (NOTE 10)	907	34,993
Loss from investments in entities subject to significant influence	-	136
	1,790,281	**1,847,722**
Operating loss before Government funding, non-operating revenues, taxes and minority interests	**(1,222,600)**	**(1,235,570)**
GOVERNMENT FUNDING		
Parliamentary appropriation for operating expenditures (NOTE 21)	1,017,587	1,070,137
Parliamentary appropriation for working capital (NOTE 21)	4,000	4,000
Amortisation of deferred capital funding (NOTE 15)	121,086	111,355
	1,142,673	**1,185,492**
Net results before non-operating revenues, taxes and minority interests	**(79,927)**	**(50,078)**
NON-OPERATING REVENUES		
Gain on the sale of receivables	5,240	-
Galaxie non-operating revenues (NOTE 22)	16,326	34,374
	21,566	**34,374**
Net results before taxes and minority interests	**(58,361)**	**(15,704)**
TAXES AND MINORITY INTERESTS		
Recovery of income and large corporations taxes (NOTE 23)	101	-
Minority interests	(39)	8
	62	**8**
Net results for the year	**(58,299)**	**(15,696)**

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

Unaudited

Consolidated Statement of Comprehensive Income (Loss)

For the year ended March 31

	[illegible]	[illegible]
	(thousands of dollars)	
Net results for the year	**(58,299)**	**(15,696)**
Other comprehensive income		
Net changes in cash flow hedges:		
Reclassification of losses on derivatives designated as cash flow hedges to the net results	-	7,873
Total other comprehensive income	**-**	**7,873**
Total comprehensive income (loss) for the year	**(58,299)**	**(7,823)**

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

Unaudited

Consolidated Statement of Changes in Equity

For the year ended March 31

	[illegible]	[illegible]
	(thousands of dollars)	
Retained earnings (deficit)		
Balance, beginning of the year	(79,757)	(64,061)
Net results for the year	(58,299)	(15,696)
Retained earnings (deficit), end of the year	**(138,056)**	**(79,757)**
Accumulated other comprehensive income		
Accumulated other comprehensive income (loss), beginning of the year	-	(7,873)
Other comprehensive income for the year	-	7,873
Accumulated other comprehensive income, end of the year	**-**	**-**
Total equity	**(138,056)**	**(79,757)**

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

DRAFT

Unaudited

Consolidated Statement of Cash Flows

For the year ended March 31

	[illegible]	[illegible]
	(thousands of dollars)	
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net results for the period	(58,299)	(15,696)
Items not involving cash:		
Loss (gain) on disposal of equipment	(1,355)	71
Gain on the sale of receivables	(5,240)	-
Change from fair value of financial instruments	4,856	(3,208)
Amortisation of property and equipment	110,063	105,241
Amortisation of intangible assets	17,617	12,682
Impairment of property and equipment	-	1,517
Loss (gain) from investments in entities subject to significant influence	(440)	136
Change in deferred charges	14,763	4,361
Amortisation of deferred capital funding	(121,086)	(111,355)
Change in deferred revenues [long-term]	(8,180)	(31,149)
Change in long-term receivables	(669)	(3,964)
Change in pension plans and employee-related liabilities [current]	108	(1,304)
Change in pension plans and employee-related liabilities [long-term]	18,758	14,214
Change in minority interests	40	(8)
Net change in non-cash working capital balances (NOTE 24)	(95,085)	14,690
	(124,149)	**(13,772)**
FINANCING ACTIVITIES		
Parliamentary appropriations (NOTE 21):		
Capital funding	117,929	96,677
Financial liability related to the sale of receivables	10,221	-
Repayment of bonds payable	(8,575)	(7,964)
	119,575	**88,713**
INVESTING ACTIVITIES		
Acquisition of property and equipment	(105,178)	(76,337)
Acquisition of intangible assets	(4,620)	(26,170)
Purchase of long-term investments	(255)	(2,015)
Capital recovery from notes receivable	1,193	1,496
Capital recovery from net investment in sales-type leases	1,265	1,586
Capital recovery sale of Galaxie	10,500	9,500
Deferred charges	(17,011)	(9,811)
Proceeds from disposal of equipment	1,911	1,966
Proceeds from sale of receivables	133,612	-
	21,417	**(99,785)**
Change in cash	**16,843**	**(24,844)**
Cash, beginning of year	**33,160**	**58,004**
Cash, end of year	**50,003**	**33,160**

Supplementary information:		
Interest paid	24,464	25,075
Income tax paid (received)	(101)	2

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 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. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and include the following significant accounting policies.

A. BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Corporation and of the two variable interest entities (VIEs) for which the Corporation is the primary beneficiary: the Broadcast Centre Trust and The Documentary Channel (*documentary*).

B. PARLIAMENTARY APPROPRIATIONS

The Corporation receives a substantial portion of its funding from the Government of Canada. Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognised in the Consolidated Statement of Operations in the fiscal year for which the appropriations were approved. Parliamentary appropriations for property and equipment and intangible assets subject to amortisation are recorded as deferred capital funding on the Consolidated Balance Sheet, and are amortised on the same basis and over the same periods as the related property and equipment and intangible assets. The Parliamentary appropriations for the purchase of land is recorded in the Consolidated Statement of Changes in Equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates in effect when the assets were acquired or obligations incurred unless such items are carried at market value, in which case they are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at average exchange rates during the year. All exchange gains or losses are included in determining net results for the year.

D. FINANCIAL INSTRUMENTS

(i) Financial Instruments – Recognition and Measurement

Financial assets are classified either as held to maturity, held for trading, available for sale or loans, and receivables, while financial liabilities are classified as either held for trading or other financial liabilities.

Held to maturity (HTM) – Financial assets classified as HTM are measured at amortised cost using the effective interest rate method. Interest income, calculated using the effective interest rate method, is recorded in financing income.

Held for trading (HFT) – Financial assets and financial liabilities classified as HFT are measured at fair value, with gains or losses and transaction costs recorded in the net results in the year in which they arise.

Available for sale (AFS) – Financial assets classified as AFS are measured at fair value, except for investments in equity instruments classified as AFS that do not have a quoted market price in an active market, which are measured at cost. Unrealised gains or losses are recognised in other comprehensive income (OCI), except for other than temporary impairment losses, which are recognised in net results. Upon derecognition of a financial asset or when other than temporary loss is incurred, the cumulative gains or losses, previously recognised in accumulated other comprehensive income (AOCI) are reclassified to net results.

Loans and receivables (L&R) – Financial assets classified as L&R are measured at fair value upon initial recognition and are subsequently measured at amortised cost using the effective interest rate method. Interest income, calculated using the effective interest rate method, is recorded in financing income.

Other financial liabilities (OFL) – Financial liabilities classified as OFL are measured at amortised cost using the effective interest rate method. Interest expenses, calculated using the effective interest rate method, are recorded in expenses.

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortised cost
Long-term investments[1]	Available-for-sale	Fair value[2]
Long-term receivables	Loans and receivables	Amortised cost
Accounts payable and accrued liabilities	Other liabilities	Amortised cost
Pension plans and employee-related liabilities [current]	Other liabilities	Amortised cost
Financial guarantee	Held for trading	Fair value
Financial liability related to the monetisation of receivables	Other liabilities	Amortised cost
Bonds payable	Other liabilities	Amortised cost
Derivatives	Held for trading	Fair value

1 Only investments in which the Corporation does not exercise significant influence.

2 Investments in equity instruments that do not have a quoted market price in an active market are measured at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

For disclosure purposes, all financial instruments measured at fair value need to be categorised into one of the three hierarchy levels described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

(ii) Derivatives — Forward Contracts Designated as Hedges

The Corporation uses derivative financial instruments to manage the risk of loss due to movements in foreign exchange rates. The Corporation's policy is not to utilise derivative financial instruments for speculative purposes.

Forward exchange contracts are contractual obligations in which two counterparties agree to exchange one currency for another at a specified price for settlement at a predetermined future date. Forward exchange contracts are used by the Corporation to manage the risk of loss due to movements in foreign exchange rates, relating to future contractual payments. Since these payments are denominated in foreign currency, the Corporation is exposed to fluctuation in cash flows resulting from changes in exchange rates.

A derivative must be designated in a hedging relationship and be effective to be accounted for as a hedge. Effectiveness is achieved if the cash flows or fair values of the derivative substantially offset changes in cash flow or fair value of the hedged position and the timing is similar.

The Corporation formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. This process includes linking all derivatives to specific firm commitments. The Corporation also formally assesses, both at the hedge's inception and on a quarterly basis, whether the forward exchange contracts that are used in hedging transactions are highly effective in offsetting changes in cash flows of assets acquired or liabilities incurred.

The fair values of forward contracts that are eligible hedges are presented in the Consolidated Balance Sheet; the positive fair value is reported as derivative financial instruments as a component of total assets and derivatives with a negative fair value are reported as a component of total liabilities. The change in the fair value is charged or credited in the Consolidated Statement of Comprehensive Income (Loss) until the asset is acquired or the liability is incurred; the hedging relationship ceases to be effective; the hedging relationship designation is terminated, in which case, the unrealised gains or losses are removed from the Other Comprehensive Income to net results of the year. Any derivative financial instrument held by the Corporation that is not or is no longer designated as an eligible hedge is carried at fair value on the Consolidated Balance Sheet, and any change in the fair value is recorded to the Consolidated Statement of Operations as other income (net gain or loss from fair value of financial instruments).

(iii) Derivatives — Other Forward Contracts

The Corporation does not apply hedge accounting for forward exchange contracts purchased to minimise the currency risk related to its foreign bureau operations.

The fair values of these forward exchange contracts are presented in the Consolidated Balance Sheet; the positive fair values are reported as derivative financial instruments as a component of total assets and the negative fair values are reported as a component of total liabilities. The change in the fair value is recorded in the Consolidated Statement of Operations as other income (net gain or loss from fair value of financial instruments).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

E. PROGRAMMING

Programming consists of internally produced television programs, externally produced television programs which require the Corporation's involvement during the production and acquired licence agreements for programming material.

Programming completed and in process of production (excluding acquired licence agreements) is recorded at cost less accumulated amortisation and accumulated impairment losses, on an individual basis. Cost includes the cost of materials and services, labour and other direct expenses applicable to programming. Programming costs are recognised in the television, radio and new media services costs of the Consolidated Statement of Operations, primarily as described below, or when deemed unusable or when sold.

The payments made under the terms of each acquired licence agreement are recorded as prepaid expenses and recorded as programming when the following criteria are met: cost is determined, material is accepted and the program is available for broadcast. Costs are charged to operations as described below, or when deemed unusable or when sold.

The expense recognition schedule is based on past broadcast experiences, audience results and future telecast plans. For programs with multiple telecasts, management uses the following recognition basis:

Category	Expense recognition schedule by telecast
Movies	50%/30%/20%
Dramatic series, comedy series, animated programs, mini-series (excluding strips[1])	70%/30%
Family drama series telecast as strips	50%/30%/20%
Other drama series telecast as strips	Evenly over telecast up to a maximum of five telecasts
Arts, music and variety (excluding strips)	70%/30%
Arts, music and variety series telecast as strips	50%/30%/20%
Documentaries	CBC Television: 70%/30% Télévision de Radio-Canada: 100%
Documentaries telecast as strips	Evenly over telecast up to a maximum of five telecasts
Factual, information education and game shows (excluding strips)	70%/30%
Factual, information education and game shows telecast as strips	Evenly over telecast up to a maximum of five telecasts
Children – animated and pre-school programs	Evenly over each telecast to a maximum of five telecasts
Youth drama programs	70%/30%
Other youth programs	33%/33%/34%

1 Method of broadcasting consecutive episodes.

Programming is reviewed for impairment on an annual basis. Any impairment is charged to operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost less accumulated amortisation and accumulated impairment losses. The cost of assets constructed by the Corporation includes material, direct labour and related overheads. Amounts included in capital projects in progress are transferred to the appropriate property and equipment classification upon completion, and are amortised once available for production or service.

Amortisation is calculated on the straight-line method using rates based on the estimated useful life of the property and equipment, as follows:

Buildings	33 years
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Furnishings and office equipment	10 years
Computers (hardware)	
Servers	5 years
Microcomputers	3 years
Automotive	
Specialised vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all-terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobiles and minivans	5 years

Leasehold improvements are capitalised and amortised over the shorter of the lease term and the asset's useful economic life.

G. INTANGIBLE ASSETS

The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use.

Software acquired separately is recorded at cost at the acquisition date. Subsequently, it is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives (three to five years). The estimated useful life and amortisation method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

Expenditures relating to internally developed computer software applications are capitalised to the extent that the project is technically feasible, sufficient resources exist to complete its development and it is probable that the asset will generate future economic benefits.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The amount initially recognised for internally developed software is the sum of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Amortisation is recognised on a straight-line basis over the estimated useful lives (three to five years). Where no internally developed software can be recognised, development expenditure is recognised in the Consolidated Statement of Operations in the period in which it is incurred.

Subsequent to initial recognition, internally developed software is reported at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are assessed for indications of impairment during the annual review of intangible assets' useful lives.

H. NET INVESTMENT IN SALES-TYPE LEASES

Assets leased under terms that transfer substantially all of the benefits and risks of ownership to the lessee are accounted for as sales-type leases.

Financing income from sales-type leases is recognised in a manner that produces a constant rate of return on the investment in the leases. The investment in the leases is composed of net aggregate minimum lease payments less unearned financing income.

I. DEFERRED CHARGES

Deferred charges are mainly comprised of broadcast rights paid that are not yet available for broadcast and will be transferred to programming when the rights become available.

J. LONG-TERM INVESTMENTS

Investments in entities over which the Corporation does not exercise significant influence are classified as AFS. They are recorded at cost since there is no quoted market price for these types of investments. Investments in entities over which the Corporation exercises significant influence are accounted for using the equity method. Under this method, the Corporation's investment is initially recorded at cost and adjusted thereafter to include the Corporation's pro-rata share of earnings of the investee. Gains from investments in entities subject to significant influence are recorded in other income, while losses are recorded as loss from investments in entities subject to significant influence. When net losses from an equity accounted for investment exceed its carrying amount, the investment balance is reduced to zero and additional losses are not provided for, unless the Corporation is committed to providing financial support to the investee.

Investments are reviewed for impairment when events or changes in circumstances indicate that there is a loss in value. If there is evidence that the loss is due to circumstances other than a temporary decline, the investment will be written down to recognise the loss, which is recorded as a loss from investments in entities subject to significant influence in the Consolidated Statement of Operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

K. PENSION COST AND OBLIGATION

The Corporation provides pensions based on the length of service and final average earnings of its employees, as classified under defined benefit retirement pension arrangements.

The cost of pension benefits earned by employees is determined on an actuarial basis using the projected benefit method pro-rated on service and management's best assumptions, such as the expected long-term rate of return on plan assets, rate of compensation, inflation, retirement ages of employees, and mortality of members.

The pension costs are determined using the cost of employee pension benefits for the current year's service, the interest cost on the accrued benefit obligation, the expected investment return on the actuarial value of plan assets, the amortisation of the transitional asset, the amortisation of net actuarial gains and losses, and the amortisation of past service costs. The market-related value of plan assets is used for the purpose of calculating the expected return on plan assets. The method used to determine the market-related value consists of spreading a given year's realised and unrealised capital gains and losses uniformly over that year and the three subsequent years.

The discount rate used to determine the accrued benefit obligation is based on the interest rate inherent in the amount at which the accrued benefit obligation could be settled.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortised over the average remaining service period of active employees. The average remaining service period of the active employees covered by the pension plans is between 6.0 and 13.5 years (2009 – between 6.0 and 13.5 years).

On April 1, 2000, the Corporation adopted the new accounting standard on employee future benefits using the prospective application method. The Corporation is amortising the transitional pension asset on a straight-line basis over 13.5 years, which was the average remaining service period of the active employees expected to receive benefits under the Pension Plan as of April 1, 2000.

Past service costs arising from plan amendments are deferred and amortised on a straight-line basis over the average remaining service period of employees active at the date of amendment.

L. EMPLOYEE FUTURE BENEFITS OTHER THAN PENSIONS

The Corporation provides employee future benefits such as termination benefits and other benefits, including continuation of benefits coverage for employees on long-term disability, post-retirement life insurance, health and dental benefits, and workers' compensation.

The cost of these benefits is determined on an actuarial basis using the projected benefit method pro-rated on service and management's best assumptions, such as salary increases, inflation, retirement ages of employees, mortality of members, and expected health care costs.

For employee termination benefits and post-retirement life insurance, the transitional obligation and the net actuarial gains or losses are amortised over the average remaining service period of the employee group. The transitional obligation and the net actuarial gains or losses for continuation of benefits for employees on long-term disability and workers' compensation are amortised over the expected average remaining duration of payments. The amortisation periods used for these plans are between 7.0 and 15.7 years (2009 – between 7.0 and 15.7 years).

M. INCOME TAXES

The Corporation follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are recognised for the estimated future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. The rates used to calculate the future income tax assets and liabilities are the enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. If realisation of future income tax assets is considered more unlikely than likely, a valuation allowance is provided.

N. REVENUE RECOGNITION

(i) Advertising Revenues

Revenues from the sale of advertising airtime are recognised when the advertisement has been broadcast, the Corporation has no remaining obligations and collectability is reasonably assured.

(ii) Specialty Services

Revenues from specialty services include the sale of advertising airtime, subscriber revenues and the sale of programs by the specialty channels to third-party broadcasters. Revenues from the sale of advertising airtime are recognised when the advertisement has been broadcast. Revenues from program sales and subscriber fees are recognised when the delivery has occurred, or when services have been provided and the Corporation has no remaining obligations and collectability is reasonably assured.

(iii) Other Income

Other income includes revenues from the leasing of space, facilities and services; program sales; commercial production sales; host broadcaster's activities; and net gains from disposal of equipment. These are recognised when the delivery has occurred, or when services have been provided and the Corporation has no remaining obligations and collectability is reasonably assured.

Other income also includes net gains or losses from derivatives not designated as hedges, losses from ineffective hedges and gains from effective hedges once the asset has been acquired, the liability has been incurred or the hedging relationship designation is terminated.

Contributions from the Local Programming Improvement Fund are also included in other income and are recognised when earned.

(iv) Financing Income

Financing income includes interest revenues from bank accounts, investments in sales-type leases, and notes receivable. Interest is recognised in the year it is earned.

O. TRANSFER OF ACCOUNTS RECEIVABLE

The Corporation accounts for the transfer of accounts receivable to unrelated parties as a sale, provided that control over the receivables has been surrendered and consideration other than beneficial interests in the transferred receivables has been received in exchange. If these criteria are not satisfied, the transfer is treated as secured borrowings.

When treated as a sale, the accounts receivable are removed from the Consolidated Balance Sheet, the assets received and the liabilities incurred are recognised at fair value and a gain or loss on sale is recorded in the Consolidated Statement of Operations. The gain or loss on sale of the receivables depends in part on the previous carrying value of the receivables involved in the transfer, allocated between the assets sold and the retained interests based on their relative fair value at the date of transfer. Fair values are estimated based on the present value of future expected cash flows using management's best estimates of the key assumptions.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

When treated as a secured borrowing, the Corporation continues to account for transferred receivables after the transaction on the same basis as beforehand, and accounts for the secured borrowing in accordance with its accounting policies for liabilities of a similar nature.

P. DEFERRED REVENUES

Deferred revenues are recognised as revenues when the services are provided.

Q. TELEVISION, RADIO AND NEW MEDIA SERVICES COSTS

Television, radio and new media services costs include all costs related to the production of programs, including direct out-of-pocket expenditures, departmental and administration expenses and the cost of activities related to technical labour and facilities. A portion of the costs of operational support provided by services such as Human Resources, Finance and Administration, Building Management and other shared services are also included in the related costs. Television, radio and new media services costs also include programming-related activities such as Marketing and Sales, Merchandising, New Media, and Communications.

R. MEASUREMENT UNCERTAINTY

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year. Employee-related liabilities, estimated useful lives of property and equipment and intangibles, estimated useful lives of programming, contingent liabilities, and fair value measurement of derivatives are the most significant items where estimates are used. Actual results could significantly differ from those estimated.

3. ACCOUNTING STANDARDS

A. CHANGES IN ACCOUNTING STANDARDS

(i) Intangible Assets

Effective April 1, 2009, the Corporation adopted the Canadian Institute of Chartered Accountants (CICA) Section 3064 Goodwill and Intangible Assets which replaced Section 3062, Goodwill and Other Intangible assets. This new section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. Following the adoption of Section 3064, the Corporation has reclassified prior year figures to reflect this change. The new standard required the Corporation to reclassify the net carrying value of computer software, which met the new definition of intangible assets, from property and equipment to intangible assets.

The impact of this change in accounting standards on the current and prior year balances is as follows:

Consolidated Balance Sheet

	[illegible]	[illegible]
	(thousands of dollars)	
Assets		
(Decrease) in property and equipment	(47,725)	(59,735)
Increase in intangible assets	47,725	59,735
	-	-

3. ACCOUNTING STANDARDS (continued)

Consolidated Statement of Operations

	[illegible]	[illegible]
	(thousands of dollars)	
Expenses		
(Decrease) in amortisation of property and equipment	(17,617)	(12,682)
Increase in amortisation of intangible assets	17,617	12,682
	-	-

(ii) Financial Instruments

In June 2009, the CICA issued amendments to Section 3862 Financial Instruments – Disclosures which increase harmonisation with International Financial Reporting Standards (IFRS). Section 3862 provides expanded disclosure requirements regarding fair value measurements including the relative reliability of the inputs used in those measurements and the liquidity risk of financial instruments. The standard also requires disclosure of a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The applicable disclosures required under this standard are included in Note 26. The accounting policy on financial instruments, as presented in Note 2, was updated to include additional information on the three-level hierarchy.

B. FUTURE 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 amendment 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 needs 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. PROGRAMMING

A. PROGRAMMING

	[illegible]	[illegible]
	(thousands of dollars)	
Programs completed	95,905	122,106
Programs in process of production	49,274	37,293
Broadcast rights available for broadcast	33,064	43,488
	178,243	**202,887**

The programming write-offs represent $17.7 million in 2010 ($16.2 million in 2009) and are recorded in the Consolidated Statement of Operations as television, radio and new media services costs.

B. COLLECTION

The Corporation owns a collection of audio and video material, costumes and puppets, which have historical and cultural significance to Canadians. Part of the collection is also used from time to time, when needed. The value of the collection is not reflected in the consolidation financial statements of the Corporation.

5. PROPERTY AND EQUIPMENT

A. COST AND ACCUMULATED AMORTISATION

	2010			2009
	Cost	Accumulated amortisation	Net book value	
	(thousands of dollars)			
Land	20,467	-	20,467	20,467
Buildings	970,104	(534,748)	435,356	399,759
Technical equipment	1,344,230	(991,181)	353,049	362,142
Computers, furnishings and office equipment	92,400	(65,161)	27,239	25,359
Automotive	48,583	(38,573)	10,010	10,914
Leasehold improvements	58,558	(20,468)	38,090	33,547
Capital projects in progress	41,601	-	41,601	77,794
	2,575,943	**(1,650,131)**	**925,812**	**929,982**[1]

1 Costs and accumulated amortisation of property and equipment as at March 31, 2009, amounted to $2,506.5 million and $1,576.5 million, respectively.

B. IMPAIRMENT

There were no indicators of impairment as of March 31, 2010; therefore no impairment expense was recorded ($1.5 million in 2009).

6. INTANGIBLE ASSETS

A. COST AND ACCUMULATED AMORTISATION

	2010			2009
	Cost	Accumulated amortisation	Net book value	
	(thousands of dollars)			
Software	133,465	(87,877)	45,588	58,463
Software development in progress	2,137	-	2,137	1,272
	135,602	**(87,877)**	**47,725**	**59,735**[1]

1 Costs and accumulated amortisation of intangible assets as at March 31, 2009, amounted to $134.6 million and $74.9 million, respectively.

The aggregate amount of intangible assets that were acquired during the year represented $0.4 million (2009 – $0.3 million), while those that were developed during the year amounted to $4.2 million (2009 – $25.9 million).

7. LONG-TERM RECEIVABLES

	2010	2009
	(thousands of dollars)	
Ontrea	-	55,360
Galaxie	10,090	19,921
Other long-term receivables	1,704	1,704
	11,794	**76,985**

7. LONG-TERM RECEIVABLES (continued)

A. SALE OF RECEIVABLES — ONTREA

In connection with certain real estate sale transactions in 2003 and prior years, the Corporation received a portion of the sale proceeds in amortising promissory notes from institutional investors. These promissory notes receivable with the carrying value of $56.1 million as well as the finance lease receivables with the carrying value of $61.6 million were monetised in December 2009 using the Monetisation Trust, a qualified special purpose entity. The Monetisation Trust is not consolidated within the Corporation's financial statements and its sole business purpose is to hold the receivables and issue fixed rate notes, which are secured by the receivables, to third parties (until 2027). The value of these debt securities is equal to approximately 97.6 per cent of the value of the receivables. The gain on sale of these receivables to the Monetisation Trust in the amount of $5.2 million is included in the gain on the sale of receivables on the Consolidated Statement of Operations for the year ended March 31, 2010. Based on the contractual terms, the Corporation does not expect any prepayments of the transferred receivables.

The amounts collected for receivables are available only for payment of the Monetisation Trust's debt or other obligations. The Corporation provided an absolute and unconditional guarantee to the Monetisation Trust of the full and timely payment of receivables by the ultimate debtors. In addition, the Corporation entered into an agreement with the Monetisation Trust to provide support to the extent that the Monetisation Trust is unable to pay its ongoing expenses and tax liabilities. There were no amounts accrued with respect to the support agreement as at March 31, 2010.

The Corporation's retained interest consists principally of the cash reserve account that comprises amounts reserved at inception of the Monetisation Trust and the net excess cash flows (the difference between the interest received on the receivables and the interest paid on the debt issued by the Trust to third parties). The balance of the cash reserve account, if any, reverts to the Corporation at the final maturity date of the Monetisation Trust's third-party debt. The Corporation's retained interest is included in accounts receivable on the Consolidated Balance Sheet.

The Corporation retains servicing of the receivables through the Financial Servicing Agreement with the Monetisation Trust. Shortly after the transfer, the Corporation entered into a sub-servicing agreement with an independent third party. The Corporation nonetheless remains fully responsible to the Monetisation Trust for servicing the receivables.

B. MONETISATION OF RECEIVABLES — GALAXIE

The Corporation was entitled to receive certain payments as a result of the Galaxie transaction described in Note 22. In September 2009, the Corporation entered into a transaction with an unrelated third party to monetise the outstanding receivables in the amount of $21 million, of which $14 million was guaranteed by a financial institution. The monetisation transaction does not qualify as a sale and is accounted for as a secured borrowing. The Corporation continues to carry the transferred receivables on its Consolidated Balance Sheet and has also recognised a financial liability ("Financial liability related to the monetisation of receivables") for the amount of consideration received.

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8. LONG-TERM INVESTMENTS

	2010			2009		
	Significant influence	Other	Total	Significant influence	Other	Total
			(thousands of dollars)			
Assets						
ARTV Inc.[1]	7,243		7,243	6,548	17	6,548
Portfolio investments	-	17	17	-		17
	7,243	**17**	**7,260**	**6,548**	**17**	**6,565**
Liabilities						
Sirius Canada Inc.	**(13,417)** [2-3]	**12,000** [4]	**(1,417)**	**(13,417)** [2-3]	**12,000** [4]	**(1,417)**

1 ARTV inc. is a French-language arts and entertainment specialty channel. In 2009-2010, the Corporation acquired additional shares issued by ARTV for an amount of $255,000. With this additional acquisition, the Corporation owns 62 per cent of ARTV, but does not control its activities, as 66 2/3 per cent of the voting shares are required to assume control.

2 The Corporation has invested $25.05 in class A shares of Sirius Canada Inc., which represents a 40.0 per cent voting interest and 25.05 per cent participation. These shares are entitled to receive dividends equal to their participation rate.

3 The Corporation committed to invest an additional $1.4 million in class C shares of Sirius Canada Inc. The Corporation has not committed to assume any additional financial risk. The Corporation's proportionate share of the unrecognised loss is $14.9 million (2009 — $18.1 million).

4 The Corporation invested $12 million in class C shares of Sirius Canada Inc., which are entitled to a preferential cumulative dividend of eight per cent per annum on the redemption price. These shares may be redeemed at any time by Sirius Canada Inc.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
		(thousands of dollars)
Trade payables	57,278	37,997
Accruals	117,309	97,270
Other	1,910	5,774
	176,497	**141,041**

10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

Employee-related liabilities are as follows:

	2010	2009	2010	2009
	Current		**Long-term**	
		(thousands of dollars)		
Accrued pension benefit liability	-	-	255,749	232,767
Employee future benefits other than pensions	-	-	156,775	160,999
Vacation pay	58,845	61,960	-	-
Workforce reduction and other	12,308	39,593	-	-
Salary-related liabilities	59,746	55,666	208	208
	130,899	**157,219**	**412,732**	**393,974**

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10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES (continued)

A. THE CORPORATION PENSION PLANS AND OTHER EMPLOYEE FUTURE BENEFITS

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an actuarial valuation, which is made at least on a triennial basis. The latest valuation available was made in December 2008. The next valuation is required no later than December 2011.

The Corporation also provides employee future benefits such as termination benefits and other benefits, including continuation of benefits coverage for employees on long-term disability, post-retirement life insurance, health and dental benefits, and workers' compensation. The last actuarial valuations for employee termination benefits and for post-retirement life insurance benefits were made in December 2009.

The measurement date for the pension plan assets and the accrued benefit obligation is March 31.

Assumptions – annual rates		
Expected long-term rate of return on plan assets	6.25%	6.25%
Discount rate used for the calculation of the benefit costs	5.75%	5.25%
Discount rate used for the calculation of the obligation	5.00%	5.75%
Long-term rate of compensation increase, excluding merit and promotion	3.25%	3.25%
Health care cost trend rate	7.5% until 2019; 4.5% thereafter	8.5% for 5 years; 4.5% thereafter
Indexation of pensions in payment	1.9%	1.9%

	(thousands of dollars)	
Annual amount		
Employee contributions – pension plans	38,503	33,407
Benefit payments for the year – pension plans	226,831	213,890
Benefit payments for the year – other employee future benefits	18,147	13,822

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10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES (continued)

	2010		2009	
	The Corporation pension plans	**Other employee future benefits**	**The Corporation pension plans**	**Other employee future benefits**
	(thousands of dollars)			
Fair value of plan assets, end of year	4,199,746	-	3,750,644	-
Accrued benefit obligation, end of year	(4,526,346)	(137,413)	(4,085,585)	(159,075)
Surplus (deficit), end of year	**(326,600)**	**(137,413)**	**(334,941)**	**(159,075)**
Unamortised past service costs	34,041	(2,511)	43,789	(2,930)
Unamortised net actuarial losses (gains)	362,958	(27,273)	477,661	(11,293)
Unamortised transitional (asset) obligation	(326,148)	10,422	(419,276)	12,299
Accrued benefit liability, end of year	**(255,749)**	**(156,775)**	**(232,767)**	**(160,999)**
Accrued benefit liability, beginning of year	**(232,767)**	**(160,999)**	**(223,307)**	**(156,229)**
Employee future benefits costs				
Current service cost	(64,701)	(6,544)	(76,720)	(7,650)
Interest on accrued benefit obligation	(231,362)	(7,984)	(220,115)	(8,585)
Expected return on actuarial value of assets	230,304	-	254,445	-
Amortisation of past service costs	(9,748)	419	(9,748)	419
Amortisation of transitional asset (obligation)	93,128	(1,877)	92,996	(2,657)
Amortisation of actuarial losses	(97,519)	2,063	(78,110)	(119)
Employee future benefits costs for the year	**(79,898)**	**(13,923)**	**(37,252)**	**(18,592)**
Corporation pension plan contributions	54,914	-	26,306	-
Benefit payments for unfunded plans	2,002	18,147	1,486	13,822
Total cash payments	**56,916**	**18,147**	**27,792**	**13,822**
Accrued benefit liability, end of year	**(255,749)**	**(156,775)**	**(232,767)**	**(160,999)**

As at March 31, 2010, the accrued benefit obligation for the CBC/Radio-Canada Pension Plan and for the unfunded benefit pension arrangements represented respectively $4,459.1 million (2009– $4,029.8 million) and $67.2 million (2009 – $55.8 million).

	2010	2009
Asset category	**Percentage of plan assets (based on fair value)**	
Fixed income	49%	61%
Canadian equities	12%	8%
Global equities	25%	16%
Strategic[1]	14%	14%
Bond overlay	-	1%
	100%	**100%**

1 Strategic investments include real estate, private placements, hedge funds and infrastructure funds.

10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES (continued)

B. WORKFORCE REDUCTION PLAN

On March 25, 2009, the Corporation announced a workforce reduction plan to deal with the financial pressures facing the Corporation. The plan was divided into two steps: as a first step, the Corporation was offering a voluntary retirement incentive program (VRIP) to eligible employees. As a second step, and depending on the number of departures resulting from the VRIP, the Corporation announced involuntary departures. The total costs incurred for the workforce reduction plan represents $35.9 million. A remaining balance of $1.9 million is expected to be paid in 2010-2011.

11. VARIABLE INTEREST ENTITIES

Under the CICA Accounting Guideline 15 (AcG-15), Variable Interest Entities (VIE) are defined as entities that do not have sufficient equity at risk to finance their activities without additional subordinated financial support, or where the equity holders lack the overall characteristics of a controlling financial interest. The guideline requires that a VIE be consolidated with the financial results of the entity deemed to be the primary beneficiary of the majority of the VIEs' expected losses and its expected residual returns, or both. The Corporation holds interest in three VIEs.

A. BROADCAST CENTRE TRUST

The Broadcast Centre Trust (the Trust) is a charitable trust that is a lessee under a long-term lease with the Corporation for the land on which the Canadian Broadcasting Centre (the building) is located in Toronto. The rent during the term is the sum of one dollar, paid on October 1, 1988. The Trust is also a lessor under a long-term sub-lease with the Corporation for the Canadian Broadcasting Centre. In order to finance the construction of the building, the Trust issued $400 million of bonds on January 30, 1997, which are guaranteed by the rent payments for the premises occupied by the Corporation. The rent payable by the Corporation to the Trust covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the Trust. The Corporation is deemed to be the primary beneficiary of the Trust and, accordingly, the financial results of the Trust are consolidated in the Corporation's books.

B. THE DOCUMENTARY CHANNEL (*documentary*)

The Corporation owns 82 per cent partnership interest in The Documentary Channel (*documentary*), a specialty service broadcasting documentaries. The Corporation is deemed the primary beneficiary, since it holds variable interest that would cause the Corporation to absorb a majority of the expected losses or residual returns of the partnership. Accordingly, The Documentary Channel (*documentary*) financial results are consolidated in the Corporation's books.

C. SIRIUS

The Corporation holds a variable interest in Sirius Canada Inc., a provider of satellite radio in Canada, offering over 160 satellite radio channels. Sirius Canada Inc. broadcasts its signal through proprietary satellite network and uplink, and subscribers receive a radio signal through satellite radios which are sold at consumer retailers. The Corporation's maximum exposure to losses includes its investment of $12 million plus a commitment to invest an additional $1.4 million. The Corporation is not deemed to be the primary beneficiary of Sirius Canada Inc. This investment is accounted for using the equity method for class A shares and the cost method for class C shares (Note 8).

12. BONDS PAYABLE

The Corporation, through its relationship with the Broadcast Centre Trust (Note 11), guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto. The Trust issued $400 million in secured bonds on January 30, 1997. These bonds bear a fixed interest rate of 7.53 per cent annually and require blended semi-annual payments of $16.5 million, which will retire the following principal amounts:

	(thousands of dollars)
2011 (including accrued interest of $10.0 million)	19,223
2012	9,941
2013	10,704
2014	11,525
2015	12,409
2016 to 2027	264,600
	328,402
Less: current portion	(19,223)
	309,179

Interest expense included in current year's expenses is $24.3 million (2009 – $24.8 million).

13. FINANCIAL GUARANTEE

The Corporation provided an absolute and unconditional guarantee, as part of the sale of receivables (Note 7A), of the full payment and timely payments of receivables by the ultimate debtors until 2027. The fair value of the financial guarantee is determined by comparing the fair value of the receivables to the fair value of the receivables absent of a guarantee. The fees for this guarantee of $10.6 million were paid upfront by the Monetisation Trust. The fair value of the guarantee as of March 31, 2010 is $10.4 million.

The maximum amount the Corporation could be required to settle under the financial guarantee contract if the fully guaranteed amount is claimed by the counterparty to the guarantee is $199.4 million. Based on expectations at the end of the reporting period, the Corporation considers that it is more likely than not that no amount will be payable under the arrangement.

14. FINANCIAL LIABILITY RELATED TO THE MONETISATION OF RECEIVABLES

The Corporation recognised a financial liability for the transfer of receivables for which the control of receivables has not been surrendered at the reporting date. The carrying value of the receivables as at March 31, 2010, is $20.4 million.

The liability bears a fixed interest rate of 4.5 per cent and will be amortised over the term of the receivables as follows:

	(thousands of dollars)
2011	10,174
2012	10,221
	20,395
Less: current portion	(10,174)
	10,221

15. DEFERRED CAPITAL FUNDING

	(thousands of dollars)	
Balance, beginning of year	**635,378**	**650,056**
Capital funding received (NOTE 21)	117,929	96,677
Amortisation of deferred capital funding	(121,086)	(111,355)
Balance, end of year	**632,221**	**635,378**

16. RETAINED EARNINGS (DEFICIT)

The deficit represents liabilities incurred by the Corporation that have not yet been funded through Parliamentary appropriations or other sources of revenue. A significant component of the deficit is a result of unfunded employee future benefits that will be paid by the Corporation.

The deficit is offset by the working capital appropriations received since 1958, which have accumulated to $167 million as at March 31, 2010 (2009 – $163 million). The working capital appropriation is provided to fund working capital investments required by the Corporation. The Corporation must maintain a working capital that is higher than the accumulated working capital appropriations. For the purpose of this calculation, the working capital represents the excess of current assets over current liabilities, excluding the liabilities relating to annual leave and time off in lieu that will not result in a cash outflow.

17. COMMITMENTS

A. PROGRAM-RELATED AND OTHER

As at March 31, 2010, commitments for sports rights amounted to $379.8 million (2009 – $519.1 million); procured programs, film rights and co-productions amounted to $89.6 million (2009 – $132.1 million); property and equipment amounted to $9.4 million (2009 – $15.5 million); and other commitments amounted to $436.7 million (2009 – $520.0 million), for total commitments of $915.5 million (2009 – $1,186.7 million). Future annual payments as of March 31, 2010, are as follows:

	(thousands of dollars)
2011	177,245
2012	154,100
2013	153,985
2014	145,831
2015	70,759
2016 to 2020	213,539
Total future payments	**915,459**

B. OPERATING LEASES

The operating leases consist mainly of property leases, network distribution leases and equipment leases. Future annual payments related to operating leases as of March 31, 2010, are as follows:

	(thousands of dollars)
2011	41,047
2012	32,544
2013	29,576
2014	27,956
2015	26,453
2016 to 2024	137,262
Total future payments	**294,838**

18. CONTINGENCIES

A. CLAIMS AND LITIGATIONS

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.

In April 2010, the Supreme Court of Canada ruled in favor of the City of Montreal in a multi-year legal battle over how CBC/Radio-Canada calculates its payments in lieu of taxes to the city. An estimated liability was accrued pending the court decision.

B. ENVIRONMENTAL CONTINGENCIES

Polychlorinated Biphenyls (PCBs) concentrations which exceed the Ministère of Développement durable de l'Environnement et des Parcs (MDDEP) industrial site criterion, were identified in the soil at the former Corporation AM transmission site in Rimouski. At this time, the Corporation is assessing the options available to address the clean up of the contaminated soil; however, it is not possible to estimate the impact of this situation on the Corporation's financial results.

19. SPECIALTY SERVICES

The Corporation operates CBC NewsNetwork (CBC NN) and the Réseau de l'information de Radio-Canada (RDI), under CRTC licence conditions that require the reporting of incremental costs and revenues. Galaxie and **bold** are also reported on an incremental cost basis. On an incremental basis, only expenses that are charged directly to the specialty services are reported. Indirect costs for support services are not allocated to specialty services and expenses relating to long-term employee future benefits are recognised only when the related benefits are paid by the specialty services. In accordance with Canadian GAAP, however, the Corporation has included in the financial results of the specialty services the portion of earned long-term employee future benefits relating to their respective employees.

	Revenues	Expenses including employee future benefits expenses	Total	Repayments for capital acquisitions[1]	Employee future benefits expenses	Total on an incremental costs basis
			(thousands of dollars)			
CBC NN	84,616	(65,778)	**18,838**	(2,500)	351	**16,689**
RDI	52,034	(44,494)	**7,540**	(2,169)	266	**5,637**
Galaxie[2]	3,485	(4,515)	**(1,030**	-	2	**(1,028)**
bold	4,217	(3,544)	**673**	-	6	**679**
	144,352	**(118,331)**	**26,021**	**(4,669)**	**625**	**21,977**

	Revenues	Expenses including employee future benefits expenses	Total	Repayments for capital acquisitions[1]	Employee future benefits expenses	Total on an incremental costs basis
			(thousands of dollars)			
CBC NN	78,839	(61,473)	**17,366**	(2,500)	272	**15,138**
RDI	48,044	(45,790)	**2,254**	(773)	206	**1,687**
Galaxie	17,970	(18,007)	**(37**	-	6	**(31)**
bold	3,924	(4,105)	**(181**	-	5	**(176)**
	148,777	**(129,375)**	**19,402**	**(3,273)**	**489**	**16,618**

1 Capital expenditures for the acquisition of equipment and software to introduce, maintain and expand the specialty services are made by the Corporation from its capital appropriation with an approved corporate repayment plan for recovery from the specialty services' revenues. Those repayments are funded from the accumulated excess revenues over expenses.

2 Since the last broadcast distribution undertaking (BDU) revenue contract was transferred to Stingray Digital Group Inc. on October 31, 2009, the Galaxie results cover the operations from April 1st, 2009 to October 31, 2009.

The monthly subscriber rates of CBC NN and RDI are subject to regulations imposed by the CRTC. The maximum monthly subscriber rates are approved through the licence renewal process. For CBC NN and RDI, the monthly subscriber rates cannot exceed, respectively, $0.63 and $1.00. These regulations are effective until August 31, 2010. Revenues subject to regulations represent 82 per cent (2009 – 81 per cent and 83 per cent, respectively) of the total revenues of CBC NN and RDI.

20. OTHER INCOME

Other income consists of:

	[illegible]	[illegible]
	(thousands of dollars)	
Revenue type		
Building, tower, facility and service rentals	45,927	46,861
Program sales, commercial sales and merchandising	19,313	17,462
Retransmission rights	5,929	4,888
Program sponsorship	4,329	6,662
The Documentary Channel (*documentary)* (VIE) revenues	3,809	3,453
Net gain (loss) from fair value of financial instruments	(4,855)	3,208
Loss on disposal of equipment	(1,080)	(71)
Contribution from the Local Programming Improvement Fund (LPIF)[1]	19,763	-
Gain on foreign exchange rates	2,945	4,686
Other	10,941	8,226
	107,021	**95,375**

1 The LPIF is a new fund established by the CRTC in October 2008 to support local television programming in markets with a population of less than one million people. The distribution of the fund started in September 2009.

21. PARLIAMENTARY APPROPRIATIONS

Parliamentary appropriations approved and the amounts received by the Corporation during the year are as follows:

	[illegible]	[illegible]
	(thousands of dollars)	
Operating funding		
Approved annual funding	956,978	995,795
Additional non-recurring funding for programming initiatives	60,000	60,000
Compensation adjustment allocated from Treasury Board	26,908	-
Release of frozen allotment reprofiled from a previous year	-	20,000
Transfer to capital funding – Supplementary Estimates A[1]	(26,299)	(5,658)
Operating funding received	**1,017,587**	**1,070,137**
Capital funding		
Approved annual funding	91,630	91,019
Transfer from operating funding – Supplementary Estimates A[1]	26,299	5,658
Capital funding received	**117,929**	**96,677**
Working capital funding	**4,000**	**4,000**

1 In the event that significant changes in current year requirements occur, appropriations are transferred from one vote to another or reprofiled from one fiscal year to another through Appropriation Acts approved by Parliament.

22. GALAXIE NON-OPERATING REVENUES

On December 7, 2007, the Corporation provided a privately held company, Stingray Digital Group Inc. ("Acquirer"), with an option to cause the Corporation to monetise certain of the Galaxie pay audio assets ("Option Asset Purchase Agreement") for $52.5 million and a warrant to acquire 1,120,513 common shares of the Acquirer for one dollar ("Warrant"). The Corporation appointed the Acquirer as its affiliate relations agent for the Galaxie pay audio service for an annual service fee until the earlier of December 31, 2017, and the date Galaxie's assets are transferred to the Acquirer pursuant to the Option Asset Purchase Agreement. Additional consideration was payable to the Corporation, contingent upon a subsequent acquisition by the Acquirer of an unrelated third party ("Earn-out").

The Option Asset Purchase Agreement provided that the Corporation continues to operate the Galaxie pay audio programming service under the licence issued by the CRTC until the exercise of the option which itself could not be exercised until the Acquirer obtained its CRTC licence, and that the Corporation would continue to operate the service thereafter in respect of those broadcast distribution undertaking (BDU) revenue contracts that are not assigned to the Acquirer. The transaction was accounted for as a sale of a future revenue stream ("Revenue Stream") using the units-of-revenue method of accounting. For the year ended March 31, 2008, the Corporation recognised $4.7 million as revenues, based on the proportionate share of the cash payments made by the Corporation, relative to the total expected cash outflows as a percentage of the discounted total consideration.

On December 23, 2008, the CRTC approved the Acquirer's application for a licence, and on January 12, 2009, the option to purchase Galaxie's assets was exercised. On January 30, 2009, the Option Asset Purchase Agreement was amended to reflect a $4.8 million increase in the purchase price associated with the Earn-out and an indemnification to the Acquirer. The Corporation has accounted for the increase in consideration as a multiple element arrangement with the proceeds allocated between the elements based on their respective fair values, including a one million dollar settlement of the contingent Earn-out recorded, and a $2.7 million consideration related to the indemnification of the Acquirer, which were both recorded as non-operating revenues, and the remaining $1.1 million as a liability.

As of March 31, 2009, the Corporation has transferred Galaxie assets, including all of the physical assets and some of the intangible assets, but excluding certain Galaxie BDU contracts that have not been assigned to the Acquirer.

During 2009–2010, the remaining BDU contracts have been assigned to the Acquirer and the associated revenues of $16.3 million have been recognised as non-operating revenues. The deferred revenues as of March 31, 2010, are nil ($16.2 million in 2009).

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23. RECOVERY OF INCOME AND LARGE CORPORATIONS TAXES

The Corporation is a prescribed Federal Crown Corporation under Part LXXI of the Income Tax Regulations and is subject to the provisions of the *Income Tax Act* (Canada). The Corporation's activities are not subject to provincial income taxes. The recovery of income and large corporations taxes is comprised of:

	2010	2009
	(thousands of dollars)	
Recovery of income and large corporations taxes	101	-
Future income tax	-	-
	101	-

The recovery of income and large corporations taxes differs from the amount that would be computed by applying the federal statutory income tax rate of 28.75 per cent (2009 – 29.38 per cent) to net results before taxes and minority interests. The reasons for the differences are as follows:

	2010	2009
	(thousands of dollars)	
Income tax recovery at federal statutory rate	16,779	4,614
Increase (decrease) resulting from:		
Non-taxable portion of capital gains	314	2,038
Other net amounts	(3,563)	(3,497)
Adjustment for changes in income tax rates	(1,765)	(470)
Change in valuation allowance	(11,765)	(2,685)
Large corporations tax recovery	101	-
	101	**-**

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future liabilities as at March 31, 2010 and 2009 are presented below:

	2010	2009
	(thousands of dollars)	
Future tax assets		
Accrued liabilities	3,964	11,914
Pension plan liability	63,937	58,192
Employee-related liabilities	39,246	40,302
Loss carry-forward	27,089	5,016
Long-term receivables and investments	-	1,747
	134,236	**117,171**
Less: valuation allowance	(89,530)	(77,765)
	44,706	**39,406**
Future tax liabilities		
Programming	178	742
Net investment in sales-type leases	-	13,426
Deferred revenues for taxes related to the sale of receivables	15,936	-
Property and equipment	25,671	24,098
Other	2,921	1,140
	44,706	**39,406**
Net future tax assets (liabilities)	**-**	**-**

As at March 31, 2010, the Corporation has a loss carry-forward for tax purposes of $108.4 million (2009 – $20.1 million), which expires between 2027 and 2030.

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24. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

Cash flows provided by (used for):	2010	2009
	(thousands of dollars)	
Short-term investments	-	6,999
Accounts receivable[1]	(43,539)	7,484
Programming[2]	22,387	(1,331)
Merchandising inventory	4,044	(2,289)
Prepaid expenses	(90,310)	(21,680)
Net investment in sales-type leases[3]	7	9
Accounts payable and accrued liabilities	35,456	372
Deferred revenues	(6,440)	(2,113)
Pension plans and employee-related liabilities[4]	(26,428)	27,489
Bonds payable[5]	(269)	(250)
Financial guarantee	(167)	-
Financial liability related to the monetisation of receivables	10,174	-
	(95,085)	**14,690**

1 Excluding $(2.1) million (2009 – $(0.1) million) of notes receivable from the sale of lands.

2 Including $2.3 million (2009 – $0.8 million) of amortisation of property and equipment.

3 Excluding capital recovery of $2.1 million (2009 – $0.1 million).

4 Excluding items not involving cash of $(0.1) million (2009 – $(1.3) million).

5 Excluding repayment of bonds payable of $0.7 million (2009 – $0.6 million).

25. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to other Government departments, Agencies and Crown Corporations, subsidiaries and to private companies over which the Corporation has significant influence (Note 8). The Corporation enters into transactions with these related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Corporation recorded the following amounts in the consolidated financial statements for transactions with related parties:

	2010	2009	2010	2009
	Government		**Private companies**	
	(thousands of dollars)			
Revenues	968	564	8,501	8,306
Accounts receivable	42	38	614	4,106
Expenses	543	210	255	276
Accounts payable and accrued liabilities	1	2	-	-
Long-term investments	-	-	255	2,015

The expenses with Government consist mainly of transactions with other Crown Corporations. The revenues from related private companies include a program agreement with Sirius Canada Inc. and management service and facility rental contracts with ARTV Inc. The receivables relating to private companies relate mainly to the program agreement with Sirius Canada Inc. Long-term investments represent the acquisition of additional shares in ARTV Inc.

During the year, the Corporation also received funding from the Government of Canada as described in Note 21.

26. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, accounts receivable, long-term receivables, long-term investments carried at cost, accounts payable and accrued liabilities, short-term portion of pension plans and employee-related liabilities, financial guarantee, financial liability related to the monetisation of receivables, bonds payable and derivatives.

A. FAIR VALUE

The fair values of accounts receivable, accounts payable and accrued liabilities and the short-term portion of the bonds payable, pension plans and employee-related liabilities and financial liability related to the monetisation of receivables approximate their carrying value due to the short-term nature of these instruments. Long-term investments over which the Corporation does not exercise significant influence are recorded at cost, as they do not have a quoted market price.

The Corporation recorded the value of the warrant to purchase an equity instrument and class B units in a privately held company equal to cost (one dollar) since the fair value cannot be reliably measured. The carrying values and fair values of the derivatives, financial guarantee and the long-term portion of the receivables and the bonds payable are listed in the following table.

26. FINANCIAL INSTRUMENTS (continued)

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	2010		2009		
	Carrying values	**Fair values**	**Carrying values**	**Fair values**	**Method**
	(millions of dollars)				
Financial instruments measured at fair value:					
					Level one
Derivative financial instruments – (assets)	-	-	4.6	4.6	The fair value is based on quoted forward market prices at March 31.
Derivative financial instruments – (liabilities)	0.3	0.3	-	-	The fair value is based on quoted forward market prices at March 31.
					Level two
Financial guarantee	10.4	10.4	-	-	The fair value is determined using the credit risk and interest rate that are observable.
Financial instruments measured at amortised cost:					
Net investment in sales-type leases (long-term)	-	-	60.8	68.0	The fair value of the net investment in sales-type leases is determined using the net present value of principal and interest cash flows. The discount rate used is based on long-term Government bonds maturing at approximately May 1, 2027, and adjusted by a spread based on credit rating.
Long-term receivables	11.8	11.1	77.0	82.9	The fair value of long-term receivables is based on quoted market prices for Government bonds maturing in approximately three to five years and adjusted by a spread based on credit rating.
Bonds payable (long-term)	309.2	389.1	318.4	418.5	The fair value of the bonds payable is determined using the net present value of principal and interest to be paid. The discount rate used is based on quoted market prices for Government of Canada bonds maturing at approximately May 1, 2027, and adjusted by a spread based on the credit rating for the bonds.
Financial liability related to the monetisation of receivables	10.2	10.2	-	-	The fair value of financial liabilities related to the monetisation of receivables is based on quoted market prices for Government bonds maturing in approximately two years and adjusted by a spread based on credit rating.

26. FINANCIAL INSTRUMENTS (continued)

B. DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation uses forward exchange contracts to reduce its exposure to US dollar foreign exchange fluctuations.

At March 31, the notional and fair values (expressed in Canadian dollars) of the derivative instruments not designated as hedges are as follows:

	2010		2009	
	Notional	**Fair value**	**Notional**	**Fair value**
	(thousands of dollars)			
Forward exchange contracts-USD[1]	18,651	(297)	20,539	4,559

1 *The forward contracts rates are between 1.03 and 1.04 for forward contracts in US dollars and the maturity date is between April 2010 and October 2011.*

For the year ended March 31, 2010, the amounts recorded in the Consolidated Statement of Operations resulting from the net change in fair value of the derivative instruments not designated as hedges represent a loss of $4.8 million (2009 – Gain of $3.2 million). This result is presented in the Consolidated Statement of Operations as other income (net gain from fair value of financial instruments).

C. 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.

D. 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.

The Corporation's exposure to market risk and its objectives, policies and processes for managing market risk are unchanged since March 31, 2009.

26. FINANCIAL INSTRUMENTS (continued)

(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.

The Corporation's net foreign currency exposure as at March 31, 2010 (expressed in Canadian equivalent dollars) is as follows:

	$US	**Euros**	**GBP**
		(thousands of dollars)	
Cash	500	708	1,007
Accounts receivable	1,586	401	157
Accounts payable and accrued liabilities	(2,254)	(183)	(303)
Net exposure	**(168)**	**926**	**861**

Based on the net exposure as at March 31, 2010, and assuming all the other variables remain constant, a hypothetical five per cent change in the Canadian dollar against the US dollar, the Euro and the GBP would not have a significant impact on the Corporation's net results.

(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.

Based on the net exposure as at March 31, 2010, and assuming all of the other variables remain constant, the impact on the net results of an hypothetical one per cent change in the interest rate as of March 31, 2010, on the fair value of the long-term receivables represents $0.7 million, $30.4 million on the fair value of bonds payable and $0.2 million on the fair value of the financial liability related to the sale of receivables.

26. FINANCIAL INSTRUMENTS (continued)

E. 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 March 31, 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 remote.

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. The balance of short-term investments is nil as of March 2010 (nil in March 2009).

(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. As at March 31, 2010, no single client had balances representing a significant portion of the Corporation's trade receivables.

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.

The following table sets out details of the age of receivables and the allowance for doubtful accounts as at March 31, 2010:

	(thousands of dollars)
Trade accounts receivable	
Current	54,169
31–60 days	31,007
61–90 days	19,196
Over 90 days	16,756
Allowance for doubtful accounts	(2,725)
Trade accounts receivable – net	**118,403**
Accrued income and other receivables	76,109
Accounts receivable	**194,512**

The Corporation's allowance for doubtful accounts amounted to $2.7 million in 2010 (2009 — $2.9 million).

26. FINANCIAL INSTRUMENTS (continued)

(iii) Long-term Receivables

One counterparty has a balance representing 86 per cent of the long-term receivables as of March 31, 2010 (two counterparties representing 87 per cent in 2009).

Fourteen million dollars of the $21.0 million notional value of the long-term receivables from the monetisation of certain of the Galaxie pay audio assets (described in Note 22) are in the form of letters of credit; the remainder is in the form of unsecured notes payable. Management does not foresee any significant risk with the collection of the unsecured notes payable.

(iv) Forward Exchange Contracts

The policy on currency risk requires the Corporation to manage derivative counterparty credit risk by contracting primarily with reputable financial institutions.

F. 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.

The table below presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the balance sheet to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	Carrying amount of liability at March 31, 2010	**Contractual cash flows**	**Within 1 Year**	**2 to 5 Years**	**6 to 9 Years**	**Over 9 Years**
			(thousands of dollars)			
Bonds payable	328,402	578,179	33,039	132,156	132,156	280,829

There are no future cash flow requirements for the derivative financial instruments, the financial guarantee and the financial liability related to the monetisation of the receivables.

DRAFT

27. CAPITAL MANAGEMENT

The Corporation defines capital that it manages as the aggregate of its equity, which is comprised of retained earnings and accumulated other comprehensive income.

The Corporation is not subject to externally imposed capital requirements. The Corporation is subject to Part III of the *Broadcasting Act*, however, which imposes restrictions in relation to borrowings.

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives for the Government of Canada to the benefit of Canadians.

The Corporation manages its capital by reviewing formally, on a regular basis, the actual results against set budgets, and shares this information with its Audit Committee and Board of Directors. The Corporation's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis. The Corporation makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements.

The Corporation's objectives, policies and processes for managing capital are unchanged since March 31, 2009.

28. COMPARATIVE FIGURES

Some of the 2009 figures have been reclassified to conform to the current's year presentation.

Board of Directors
Audit Committee
June 21-22, 2010

Subject matter

2009-2010 Financial Statements

Background

Each year, at the June meeting of the Audit Committee the draft annual financial statements of the Corporation and the financial disclosures in the Annual Report are provided for recommendation to the Board of Directors for approval.

Information on the matter

Although the Audit Committee's recommendation is for the approval of the financial statements and Financial Review section only of the Management Discussion and Analysis (MD&A), the entire draft 2009-2010 Annual Report is being provided for information.

Attached are the following three documents:

1. A two-page summary 'CBC/Radio-Canada 2009-2010 Annual Financial Statement Highlights';
2. The document 'Management Discussion and Analysis', which provides an overview of MD&A disclosure principles and improvements made to the MD&A this year. It also covers the Canadian Institute of Chartered Accountants' (CICA) 20 questions that Directors should ask about the MD&A; and
3. The draft 2009-2010 Annual Report.

For decision ■ **For information** □

Prepared by

Name:	Suzanne Morris
Date:	June 16, 2010

Management recommendation

IT IS RESOLVED THAT the Audit Committee recommends to the Board of Directors approval of the Consolidated Financial Statements of the Corporation comprising the Consolidated Balance Sheet, the Consolidated Statement of Operations, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, the Consolidated Statement of Comprehensive Income (Loss) and the notes to the consolidated financial statements as presented by management for the year ended March 31st 2010.

IT IS ALSO RESOLVED THAT the Audit Committee recommends approval by the Board of Directors of the Financial Review section of the Management Discussion and Analysis in the Annual Report as presented for the year ended March 31st 2010.

Last discussed at the Board

Date:	N/A
Decision made:	N/A

Next steps

Pages 415 to / à 416

are withheld pursuant to sections

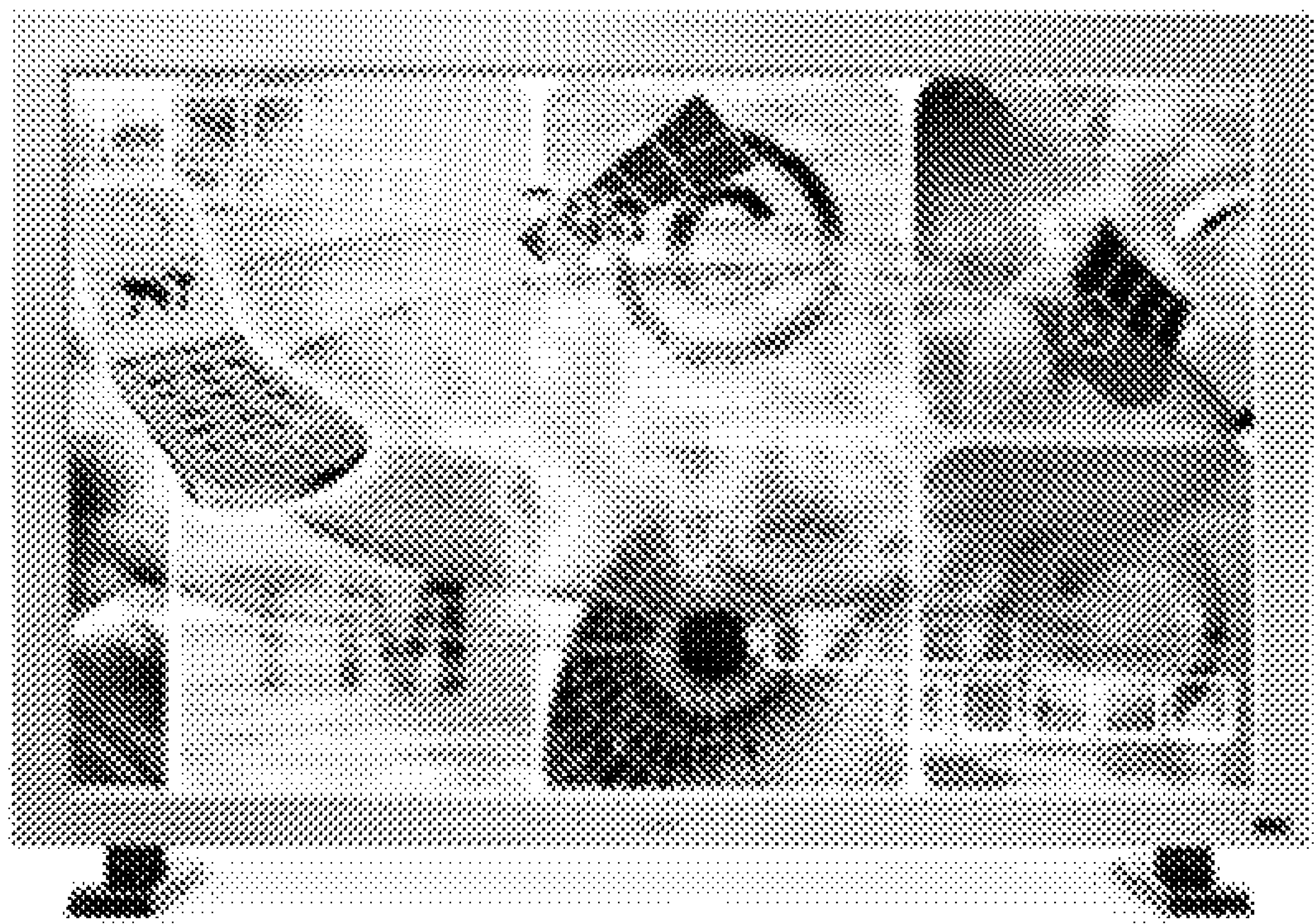
sont retenues en vertu des articles

18(a), 18(b)

of the Access to Information Act

de la Loi de l’accès à l’information

Management Discussion and Analysis



Suzanne Morris
and Christopher Flann
June 21, 2010

General Disclosure Principles - CICA

- The following principles provide the foundation of MD&A disclosures:
  - complement as well as supplement financial statements;
  - be reliable, complete, fair and balanced, and provide material information that is important to stakeholders;
  - have a forward-looking orientation;
  - focus on management's strategy for generating value for Canadians over time; and
  - be written in plain language, with candour and without exaggeration, and embody the qualities of understandability, relevance, comparability and consistency over reporting periods.

The MD&A Disclosure Framework

- The CICA guidance recommends that the analysis of past results and discussion of future prospects be framed within the context of five key elements:
  - the company's vision, core businesses and strategy;
  - key performance drivers;
  - capabilities (capital and other resources) to achieve desired results;
  - results — historical and prospective analysis; and
  - the principal risks the company faces, the strategies to manage them, and how those risks may affect the achievement of results.

CBC/Radio-Canada Improvements to MD&A

- Earlier this year, CBC/Radio-Canada retained the services of Price Waterhouse Coopers to review and provide recommendations on the Corporation's Management Disclosure and Analysis (MD&A) section of our Annual Report.
- The review looked at guidance from the Canadian Institute of Chartered Accountants and the MD&A disclosures of best in class corporations.
- As a result of this project, a two-year plan has been developed to enhance our reporting and a review checklist has been developed.

CBC/Radio-Canada Improvements to MD&A

- This year, improvements focused on:
  - the inclusion of more forward-looking information
  - the introduction of an executive summary
  - expanded disclosure on risks and risk management strategies
  - Use of the CICA checklist of specific MD&A disclosure items as guidance and involvement of more internal stakeholders in the MD&A review

CBC/Radio-Canada Improvements to MD&A

- Future changes for 2010/11 and 2011/12
  - Expanded disclosure of corporate business strategy
  - Synthesis of KPI's to drive consistency between networks
  - Continue with format integration
  - Consistency with 2011/12 Quarterly Reporting Standards

CICA - 20 Questions on MD&A

1. Does the MD&A provide a complete and integrated view of the company's historical results, financial condition and future prospects, explaining the "why" behind performance and prospects, such as strategy, risks and key performance drivers?

- Improvements this year include:
  - One writer for all sections of the report to improve integration
  - Corporate level KPI's linked to the Corporate priorities (3Ps)
  - More forward looking focus: KPI's include 2010-11 targets; Risk analysis includes planned actions in 2010/11
  - Significantly expanded risk disclosure

20 Questions

2. Is the MD&A written in clear, plain language and does it present with candour and without exaggeration a fair and balanced picture, including "bad news" as well as "good news"?

- MD&A reviewed by impacted components/networks for clarity and balance of language, e.g.
  - Factors that led to Recovery Plan and how we achieved its implementation
  - Positions recent Government and CRTC decisions and their impact
- One writer used in all sections to improve clarify

3. Do the MD&A disclosures comply with regulatory requirements?

- CBC/Radio-Canada is not a public issuer, however MD&A guidance used as a source of best practice and helps position us for upcoming continuous (i.e. quarterly) reporting
- This year, specific items added include:
  - discussion of subjective judgments used in critical accounting estimates
  - expanded reporting on IFRS status

20 Questions

4. To what extent has the CICA Guidance on MD&A been followed in preparing the MD&A? If any significant aspects of that guidance have not been followed, are we satisfied with the reasons provided?

- CICA guidance used as a source of best practice
- Refer to discussion of enhancements on page 5

20 Questions

5. How has management satisfied itself as to the reliability of the information on which the MD&A is based?

- In 2009-10, Corporation assessed the effectiveness of controls over financial reporting. No material risks were identified
- As assessment did not cover internal disclosure controls, a substantive approach was taken:
  - Review of MD&A and financials by all stakeholders
  - Reconciliation of all financial information
  - Review of key report sections, (e.g. risk and forward looking disclosures) by Senior Management of each relevant component
  - Overall review by CFO and V.P. Communications

20 Questions

6. What has been management's approach to determining materiality in preparing the MD&A?

- Combination of judgment based on:
  - significance to stakeholders from a qualitative perspective
  - For analytical review of results, general guideline of $10M, significantly lower than audit materiality of $30M

20 Questions

7. Are disclosures of a forward-looking nature in the MD&A reasonable and supportable, as well as useful to investors?

- Media Line Future Directions disclosure consistent with 2010-11 Business Plans
- Forward looking financial review disclosures vetted with Senior Management of each area and for consistency with other internal and external communications
- Forward looking Risk Management disclosures supported by quarterly internal reporting process and reviewed by each risk owner

20 Questions

8. Is there any information that management has omitted from the MD&A due to competitive concerns? If so, what is management's rationale for such omission and do we, as directors, agree?

- No disclosure of specific revenues and expenses from Olympic games (in 2007-08 results)

9. Are there any disclosures presented or matters addressed in previous periods' MD&As that are not addressed in this MD&A, and if so, why?

- MD&A reviewed against last year's Annual Report for continuity
- The 2009/10 annual report provides expanded disclosure

20 Questions

10. Do the risk disclosures in the MD&A focus on the principal business risks facing the company? Are these consistent with the business risks that management has reviewed with us for carrying out our oversight of strategy and risk?

- The quarterly risk reporting process and reports to the Audit Committee and the Board have been used to prepare the Risk Management disclosures and are focused on key business risks

11. Have previous disclosures to the markets in any form (websites, press releases, conference calls) been reviewed in the light of intervening events and disclosed or updated as necessary in the current MD&A, to ensure that investors are not misled by omission of information that should be disclosed also in the MD&A?

- A complete review of all releases, speeches by the CEO and Internet publications was performed as an integral part of the 2009/10 annual report

20 Questions

12. Are there any ways in which the MD&A disclosures are inconsistent with information provided in the financial statements or other materials included in the reporting package and continuous disclosure filings?	▪ Full Annual Report reviewed for consistency (e.g. President and Chair's messages) ▪ Facilitated by use of one writer ▪ Finance reviewed all information for consistency throughout the Annual Report
13. If alternative (non-GAAP) financial performance measures have been disclosed, have relevant CSA Staff Notices and CICA Releases about such measures been followed?	▪ No non-GAAP financial ratios are included ▪ Where business line KPI's use a subset or different basis for revenues/expenses their basis of measurement has been disclosed through the use of footnotes

20 Questions

14. How does the company's MD&A compare with MD&As of other companies within the same industry sector and/or other relevant benchmarks?

s.20(1)(b)

- [redacted]s review of our MD&A used their knowledge of the broadcasting sector and included Crowns and companies that are considered to have best practices
- Management also reviewed Annual Reports to obtain ideas (Canada Post and Export Development Canada)
- Enhancements made this year and targeted for next year (refer to page 6)

20 Questions

15. What feedback, if any, has been received from regulators about the adequacy of the company's MD&A and/or other disclosures such as press releases and financial statements? What action has management taken in response to any such feedback?

AND

16. What feedback, if any, has been received from institutional or other significant investors or their proxies about the adequacy of the company's MD&A and other disclosures? Has management sought such feedback? What has been learned and what action has been taken in response to any feedback?

- N/A - not a public issuer
- Notes 20c and 20d to Financial Statements (Reconciliation of net results to Government Funding basis) removed following comments received from the Office of the Controller General and benchmarking to other Crown corporations
- Last year's Annual Report provided to and reviewed with Rating Agencies as part of Ontrea transaction; no concerns were flagged about adequacy of information

20 Questions

17. Have legal counsel reviewed the MD&A and offered any comments on it? If so, what has been management's response to such comments, and why?

- As not a public issuer, legal counsel review not tied to investor legal liability concerns
- Media Line and Legal review conducted for purposes of identifying any potential competitive advantage issues
- Legal also advised on legal contingencies disclosure
- Chief Regulatory Officer reviewed CRTC related disclosures

20 Questions

18. What comments, if any, have the external auditors offered regarding the MD&A in the normal course of their duties to audit the financial statements? Is there any reason for us to engage the external auditors to carry out any specific additional procedures regarding the MD&A or parts thereof?

- OAG reviewed and commented on the MD&A.

20 Questions

19. Is the information contained in the MD&A consistent with that which has been previously presented by management to the audit committee and board of directors in the normal course of our oversight duties?

AND

20. Does the MD&A include all significant issues that management has previously raised with us? If not, what is missing and why?

- Overall review performed by Corporate Secretariat for consistency.

Schedule A

AUDIT COMMITTEE
BOARD OF DIRECTORS
June 21, 2010

Subject matter

CALENDAR OF MEETINGS / AUDIT COMMITTEE TERMS OF REFERENCE

Background

At the Committee's May 2010 meeting, the 2011 Calendar of Meetings was approved. The Committee requested management to review the Committee's Terms of Reference to ensure that all the activities could be accommodated within the new meeting schedule and to report to the June meeting. The attached memorandum has been prepared in response to the Committee's request. In order to align the Committee's checklist with the new meeting schedule, the Committee is asked to approve certain changes to the Committee's Terms of Reference.

Information on the matter

Please see the attached memorandum

For decision	X	**For information**	

Prepared by

Name: Meg Angevine Date: June 4, 2010

Recommendation

THAT the revised Terms of Reference of the Audit Committee be approved as presented.

Last discussed at the Board

Date: January 2010 Decision made: Revised Audit Committee Terms of Reference were approved.

Next steps

Distribute revised Audit Committee Terms of Reference.

Memorandum

To: **Audit Committee**

From: **Meg Angevine**

Date: **May 28, 2010**

Re: **Calendar of Meetings – Audit Committee - 2011**

At the May meeting of the Audit Committee, the 2011 calendar of meetings was approved, with meeting dates as follows:

Wednesday, February 23, 2011

Tuesday, June 21, 2011

Wednesday, August 24, 2011

Tuesday, November 22, 2011

The Committee asked management to review the Audit Committee Terms of Reference and the associated checklist to determine if all the required activities could be accommodated within the new schedule of four meetings. Appendix 1 to this memorandum is an annual work plan for the Audit Committee, which includes all regular and recurring activities contemplated by the Committee's Terms of Reference, and allocates them to a meeting in the schedule. Other activities, which occur on an exceptional basis, will be assigned to a specific meeting agenda as and when they arise.

To the extent that additional meetings of the Committee are required to deal with matters that cannot be accommodated within the regular schedule, these will be arranged as needed, via conference call where possible.

The checklist that forms part of the Committee's Terms of Reference has been revised to ensure its alignment with the new meeting schedule. No other significant changes are proposed to the Terms of Reference at this time. Once the process for approval of quarterly financial reports has been finalized, further changes, if required, will be made. A copy of the revised Terms of Reference is also appended for the Committee's consideration as Appendix 2.

Audit Committee ~ 2010-2011 Work Plan

	June	August	November	February	When Needed
Quarterly Items	CFO Report 4th Quarter Financial Report 4th Quarter Internal Audit Report Update on Key Risks Approval of Transactions* (if any) Review specific follow-up items In camera Sessions	CFO Report 1st Quarter Financial Report 1st Quarter Internal Audit Report Update on Key Risks Approval of Transactions* (if any) Review specific follow-up items In camera Sessions	CFO Report 2nd Quarter Financial Report 2nd Quarter Internal Audit Report Update on Key Risks Approval of Transactions* (if any) Review specific follow-up items In camera Sessions	CFO Report 3rd Quarter Financial Report 3rd Quarter Internal Audit Report Update on Key Risks Approval of Transactions* (if any) Review specific follow-up items In camera Sessions	Review appropriateness of financial management control and significant policies Review transactions involving prospectuses and other offering memoranda and recommend approval Conduct or authorize investigations into any matters with the Committee's scope of responsibilities Recommend changes to funding or use of surplus of Pension Plan Advise Board on Office of the Auditor General Special Examination Receive from the Senior Officer appointed pursuant to the Whistleblower Policy reports concerning complaints of employees which are considered to be sufficiently serious and material to the Corporation and of the steps taken or underway to deal with the matter Review other services provided by Internal Auditor's firm Review and approve the appointment and termination of Internal Auditor
Other Items	Annual Financial Statements Management Discussion & Analysis Statement of Management's Responsibilities Report on Litigation and Contingencies External Audit Report	Annual Report on Pension Plan Review Committee Terms of Reference (every 3 years)	Annual Attest Audit Plan Appointment/Removal of Pension Plan Trustees	Annual Risk Management Report Annual Report on Insurance Coverage Annual Internal Audit Plan	
Updates/Info	Contracts over $5 million – 4th Quarter Procurement Exemption Report – 4th Quarter Senior Officer's Report (Whistleblower Policy) Overview of Partnership Agreements Aboriginal Spend Report of other Services provided by Internal Auditors Annual Compliance Certificate	Contracts over $5 million – 1st Quarter Procurement Exemption Report – 1st Quarter	Contracts over $5 million – 2nd Quarter Procurement Exemption Report – 2nd Quarter	Contracts over $5 million – 3rd Quarter Procurement Exemption Report – 3rd Quarter	*Review and approve non-programming transactions, referred to the Committee, which have an economic value of five million dollars ($5M) or more [subject to (a) President's signing authority and (b) duties and responsibilities of other Board Committees] *Review and approve, as to 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 [subject to the President's signing authority]

Prepared by: Corporate Secretariat – May 2010

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

I. PURPOSE

The purpose of the Audit Committee (the "Committee") is to assist the Board in fulfilling its oversight responsibilities by monitoring the integrity of the financial information that will be provided to Parliament and other stakeholders, the systems of internal controls and risk management, which management and the Board have established, and the audit process.

The Committee affords management, the internal auditor and the external auditor a direct conduit to the Board while keeping with the Board certain ultimate decision making powers or responsibilities which have not already been otherwise delegated to the Committee, management or to the Pension Board of Trustees.

II. COMPOSITION AND TERMS OF OFFICE

A. The Committee shall consist of not fewer than three and not more than six directors, none of whom may be officers or employees of the Corporation. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.

B. The Committee Chair and the 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 four times a year, and at such other times as may be requested by the Committee Chair. The internal or the external auditor or any member of the Committee may call a meeting of the Committee.

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

E. All members of the Committee shall be financially literate. Financial literacy shall mean that a Director has, at a minimum, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those raised by the Corporation's financial statements.

F. The Committee Chair shall, in consultation with the Chief Financial Officer and the internal auditor, set the agenda and the annual timetable, which shall then be circulated among the Committee members.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

G. The Board Chairperson, the President and CEO, the Chief Financial Officer, the internal auditor and the external auditor shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with the external and/or internal auditor or with only members of the Committee.

H. The internal auditor and the external auditor shall each meet separately with the Committee in camera, at least once annually.

I. The Committee shall periodically review its own terms of reference to ensure they continue to be appropriate, and shall make recommendations to the Board for changes as necessary.

J. The Corporate Secretary or his/her delegate shall serve as Secretary to the 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. Financial Statements and Other Financial Information

The Committee shall:

i) review the Corporation's audited financial statements and recommend their approval by the Board;

ii) review the Corporation's quarterly management financial statements and reports;

iii) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements, and approve any changes to such policies;

iv) review the financial sections (Highlights and Management Discussion and Analysis) of the Annual Report with particular attention to the presentation of unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, changes in accounting principles and all significant variances between comparative reporting periods;

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

v) review the Statement of Management's Responsibility for the Financial Statements as signed by senior management;

vi) receive the report from the CFO regarding off balance sheet commitments.

B. Risk Management, Internal Control and Information Systems

The Committee shall oversee the development and operation of an integrated corporate risk management framework to provide assurance that the key risks are identified, prioritized and managed appropriately. The Committee shall also review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. The Committee shall:

i) review the appropriateness of the Corporation's financial management controls and significant finance policies and recommend changes as necessary;

ii) review, discuss and consider with the external and internal auditors the approach to risk assessment including an annual assessment of areas of greatest risk to the Corporation and steps taken to address those risks;

iii) obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented, through discussions with and reports from management, the internal auditor and the external auditor;

iv) review management steps to implement and maintain appropriate internal control procedures including a review of policies;

v) receive confirmation from management regarding compliance with legal and regulatory requirements;

vi) review insurance coverage of significant business risks and uncertainties; and

vii) review any litigation claims or other contingency that could have a material effect upon the financial position or operating results of the Corporation, and ensure appropriate disclosure thereof in documents reviewed by the Committee.

Previous Revision: January 2010
Current Revision: June 2010

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

C. Internal Audit

The Committee shall oversee the Corporation's internal audit function and the internal audit relationship with the external auditor and with management. In the event the Corporation requests the firm that currently provides the internal audit services to provide other ~~non-audit~~ services, the Chief Financial Officer will consult with and obtain approval from the Committee Chair before the work begins or a contract is finalized. The Committee will be informed at the first meeting following approval of any such contract and will receive a report of the cumulative amount of contracts so awarded on a yearly basis.

The Committee shall:

i) review and approve the appointment and termination of the internal auditor;

ii) review and approve the annual internal audit plan;

iii) review internal audit findings and recommendations, and management's response thereto;

iv) review all follow-up work on internal audit findings

v) consider and review with management and the internal auditor:

   a) any difficulties encountered by the internal auditor in the course of his/her audits, including any changes to or restrictions on the scope of his/her work or access to required information;

   b) the internal auditor's budget and staffing;

   c) the internal auditor's mandate; and

   d) the internal auditor's performance against budget and mandate.

vi) meet periodically and at least annually, with the internal auditor without management present;

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

D. External Audit

The Committee shall review the planning and results of external audit activities and the ongoing relationship with the external auditor. The Committee shall:

i) review the annual attest audit plan of the external auditors;

ii) review with the external auditor the contents of the annual audit report and review any significant recommendations from the external auditor to strengthen the internal controls of the Corporation;

iii) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:

a) any difficulties encountered, or restrictions imposed by management, during the annual audit;

b) any significant accounting or financial reporting issues;

c) the auditors' evaluation of the Corporation's system of internal controls, procedures and documentation;

d) any significant findings or recommendations contained in the external auditor's report, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses; and

e) any other matters the external auditor brings to the Committee's attention.

iv) review any unresolved significant issues between management and the external auditor that could affect the financial reporting or internal controls of the Corporation;

v) review the auditor's report on all material subsidiaries;

vi) meet periodically, and at least annually, with the external auditor without management present;

vii) where the Corporation is undergoing a special examination, review and advise the Board with respect to the plan and reports referred to in sections 138-142 of the Financial Administration Act, and

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

viii) where a special examination report has been issued by the external auditor, review the action plan prepared by management in response to the special examination report and monitor its implementation.

E. Other

The Committee shall:

i) receive reports on all subsidiaries or any entity in which the Corporation has a significant interest;

ii) review transactions involving ~~all financial information included in~~ prospectuses and other offering memoranda and recommend approval by the Board;

iii) subject to (a) the President and CEO's signing authority and (b) the duties and responsibilities of other Board Committees to review and recommend Board approval of transactions, as delegated by the Board and exceptions thereto, review and approve transactions which have an economic value of five million dollars ($5M) or more as referred to the Committee by the President and CEO in consultation with the Committee Chair;

iv) subject to the President and CEO's signing authority as delegated by the Board, 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;

v) conduct or authorize investigations into any matters within the Committee's scope of responsibilities and for that purpose, the Committee may retain independent counsel, accountants, or others to assist in the conduct of any investigation;

vi) receive from the Senior Officer appointed pursuant to the Whistleblower Policy notice of any disclosure of wrongdoing which is considered to be sufficiently serious and material to the Corporation and of the steps taken or underway to deal with the matter;

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

vii) on an annual basis, receive from the Senior Officer appointed pursuant to the Whistleblower Policy a report summarizing his/her activities in relation to any disclosures of wrongdoing by employees.

viii) a) on an annual basis, receive and review a report on the activities of the CBC Pension Plan, including financial results, pension fund performance, administration of the CBC Pension Plan, plan liabilities, funding and governance of the CBC Pension Plan, and recommend to the Board of CBC/Radio-Canada any necessary changes to the by-laws creating the pension plan or to the plan itself, and subject to the Corporation's by-laws;

b) recommend changes as necessary or appropriate to funding or use of surplus;

c) recommend the appointment or removal of trustees; and

d) generally recommend to the Board of CBC/Radio-Canada any change to the role of trustees.

ix) perform such other functions as assigned by law, the Corporation's By-Laws, or the Board, and review other items of an internal control, financial or risk management nature which may from time to time be brought before the Committee.

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. In absence of express authority from the Board, the Committee will not, without the concurrence of both management and the auditors, have either the responsibility or authority for altering the financial statements or the accounting procedures of the Corporation.

V. COMMITTEE CHECKLIST

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

CHECKLIST—AUDIT COMMITTEE

QUARTERLY ITEMS

→ Review Corporation's quarterly management financial reports
→ Review internal audit findings and recommendations, and management's response
→ Review all follow-up work on internal audit findings
→ Consider and review with management and the internal auditor any difficulties encountered in the course of audits, including changes to or restrictions on scope of work or access to required information
→ Meet with internal auditor and/or external auditors (without management)
→ Meet in camera (without internal auditor, external auditors or management)

FEBRUARY

→ Quarterly items
→ Review Annual Risk Management Report
→ Review Annual Report on Insurance Coverage
→ Review and approve Internal Audit Plan

JUNE

→ Quarterly items
→ Consider and review with management and the internal auditor the internal auditor's budget and staffing, internal auditor's mandate and internal auditor's performance against budget and mandate
→ On an annual basis, receive from the Senior Officer appointed pursuant to the Whistleblower Policy a report summarizing the activities concerning complaints from employees. An executive summary of such report shall be published on the corporate websites of the Corporation.
→ Review audited financial statements and submit to Board for approval
→ Review appropriateness of accounting policies used in the preparation of financial statements and recommend changes to policies
→ Review financial disclosures (Highlights and Management Discussion and Analysis) and reporting in the Annual Report and submit to the Board for approval
→ Review statement of Management's responsibility for financial statements signed by Senior Management
→ Review litigation claims or contingencies that could have a material effect upon the Corporation's financial position or operating results
→ Receive report from the CFO regarding off balance sheet commitments

CHECKLIST—AUDIT COMMITTEE

- → Review contents of Annual Report with external auditor and any significant recommendations to strengthen internal controls
- → Review and advise Board on planning, conduct and reporting from external auditor including any difficulties encountered, restrictions imposed by Management, any significant accounting or financial reporting issues; matters brought to the Committee by the external auditor; auditors evaluation of Corporation's system of internal controls
- → Review any unresolved significant issues between management and external auditor affecting financial reporting or internal controls
- → Review auditor's report on all material subsidiaries

<u>AUGUST</u>

- → Quarterly Items
- → Receive Annual Report on Pension Plan

<u>NOVEMBER</u>

- → Quarterly Items
- → Review with the external auditors, approach to risk assessment and areas of greatest risk
- → Review annual attest Audit Plan of external auditors
- → Recommend appointment or removal of Trustees
- → Recommend any changes to the role of Trustees

CHECKLIST—AUDIT COMMITTEE

WHEN NEEDED

→ Obtain assurance that information systems are reliable and internal systems are properly designed and effectively implemented
→ Review management steps to implement and maintain appropriate internal control procedures including review of policies
→ Review appropriateness of financial management controls and significant policies
→ Review and approve the appointment and termination of internal auditor
→ Review transactions involving ~~all financial information included in~~ prospectuses and other offering memoranda and recommend approval
→ Conduct or authorize investigations into any matters with the Committee's scope of responsibilities
→ Recommend changes to funding or use of surplus of Pension Plan
→ Advise Board on Special Examination
→ Receive reports on and review financial statements of a subsidiary or any entity in which the Corporation has a significant interest
→ Subject to (a) the President and CEO's signing authority and (b) the duties and responsibilities of other Board Committees to review and recommend Board approval of transactions, as delegated by the Board and exceptions thereto, review and approve transactions which have an economic value of five million dollars ($5M) or more as referred to the Committee by the President and CEO in consultation with the Committee Chair;
→ Review and approve, as to financial risks, programming transactions that have an economic value of $10 million or more or commits the Corporation to a period greater than four years (subject to the President's signing authority);
→ Receive from the Senior Officer appointed pursuant to the Whistleblower Policy notice of any disclosure of wrongdoing which is considered to be sufficiently serious and material to the Corporation and of the steps taken or underway to deal with the matter
→ Review other services provided by internal auditor's firm
→ Review Committee Terms of Reference (every 3 years)

Schedule A

Board of Directors
Audit Committee
(June 22-23, 2010)

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

Subject matter

Background

Information on the matter

For decision ☒ X **For information** ☐

Prepared by

Name: Steven Guiton, VP Media Technology and Chief Regulatory Officer
Date: June 12, 2010

Management recommendation

Last discussed at the Board

Date:
Decision made:

Next steps

Pages 451 to / à 461

are withheld pursuant to sections

sont retenues en vertu des articles

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

of the Access to Information Act

de la Loi de l’accès à l’information

Schedule A

Audit Committee
Board of Directors
June 21, 2010

Subject matter

Report on Litigation and Contingencies

Background

Each year in June the Law Department reports to the Audit Committee on Litigation and Contingencies for the preceding year.

Information on the matter

A copy of the 2009-2010 report is appended for the information of the Committee.

For decision ☐ **For information** X

Prepared by

Name:	Maryse Bertrand
Date:	June 4, 2010

Recommendation

N/A

Last discussed at the Board

Date:	June 22, 2009
Decision made:	N/A

Next steps

N/A

Report on Litigation and Contingencies

June 2010

Analysis of Litigation Matters Over Past Five Years

	Previous Years (Balance)	2005–06	2006–07	2007–08	2008–09	2009–10
Litigation matters:						
Number of open matters		66	64	78	93	88
Number of closed matters		95	81	89	85	92
Number of pending matters	**241**	**212**	**195**	**184**	**192**	**188**
Disposition of litigation matters:						
Appellate decision for CBC		3	0	0	0	0
Arb. award against		0	2	0	0	0
Arb. award for		0	0	0	0	1
Discontinued		5	13	5	9	14
Dismissed		6	8	13	5	14
Other*		21	33	37	38	40
Settled		13	30	11	18	19
Judgment for CBC		0	3	4	6	8
Judgment for Plf.		3	4	1	5	2
		51	**93**	**71**	**81**	**98**

*Includes publication bans, search warrants, challenges of exclusion orders, etc.

- This table shows that although the number of litigation matters has increased since 2007–08, the total number of active matters has stayed more or less the same. We'll look at the reasons for this increase later on.

Resources Assigned to Law Department

	2005–06	2006–07	2007–08	2008–09	2009–10
Total Legal Costs for All Matters Handled by the Law Department					
Internal:	$3,026,339.40	$3,270,284.20	$3,439,944.25	$4,076,933.35	$4,355,100.75
External:	$3,249,510.90	$3,388,337.63	$3,921,257.67	$4,087,294.32	$3,690,261.50
Total:	**$6,275,850.30**	**$6,658,621.83**	**$7,361,201.92**	**$8,164,227.67**	**$8,045,362.25**

2009–10

- **10.8% reduction in external costs**
- **6.4% increase in internal productivity**

Resources Assigned to Law Department

	2005–06	2006–07	2007–08	2008–09
Legal Costs for Non-Litigation Matters				
Internal:	$2,497,331.65	$2,651,623.95	$2,764,505.25	$3,271,177.85
External:	$1,680,840.57	$1,597,452.94	$1,637,416.90	$2,420,791.13
Total:	$4,178,172.22	$4,249,076.89	$4,401,922.15	$5,691,968.98
Percentage of Legal Costs Paid to External Firms vs. Total Legal Costs for Non-Litigation Matters				
	40.23%	37.60%	37.20%	42.53%

	2005–06	2006–07	2007–08	2008–09
Legal Costs for Litigation Matters				
Internal:	$ 529,007.75	$ 618,660.25	$ 675,439.00	$ 805,755.50
External:	$ 1,568,670.33	$ 1,790,884.69	$ 2,283,840.77	$ 1,666,503.19
Total:	$ 2,097,678.08	$ 2,409,544.94	$ 2,959,279.77	$ 2,472,258.69
Percentage of Legal Costs Paid to External Firms vs. Total Legal Costs for Litigation Matters				
	74.78%	74.32%	77.18%	67.41%

Resources Assigned to Law Department

Percentage of Costs for Non-Litigation Cases / Total Costs

2005–06	2006–07	2007–08	2008–09	2009–10
67%	64%	60%	70%	65%

Percentage of Costs for Litigation Cases / Total Costs

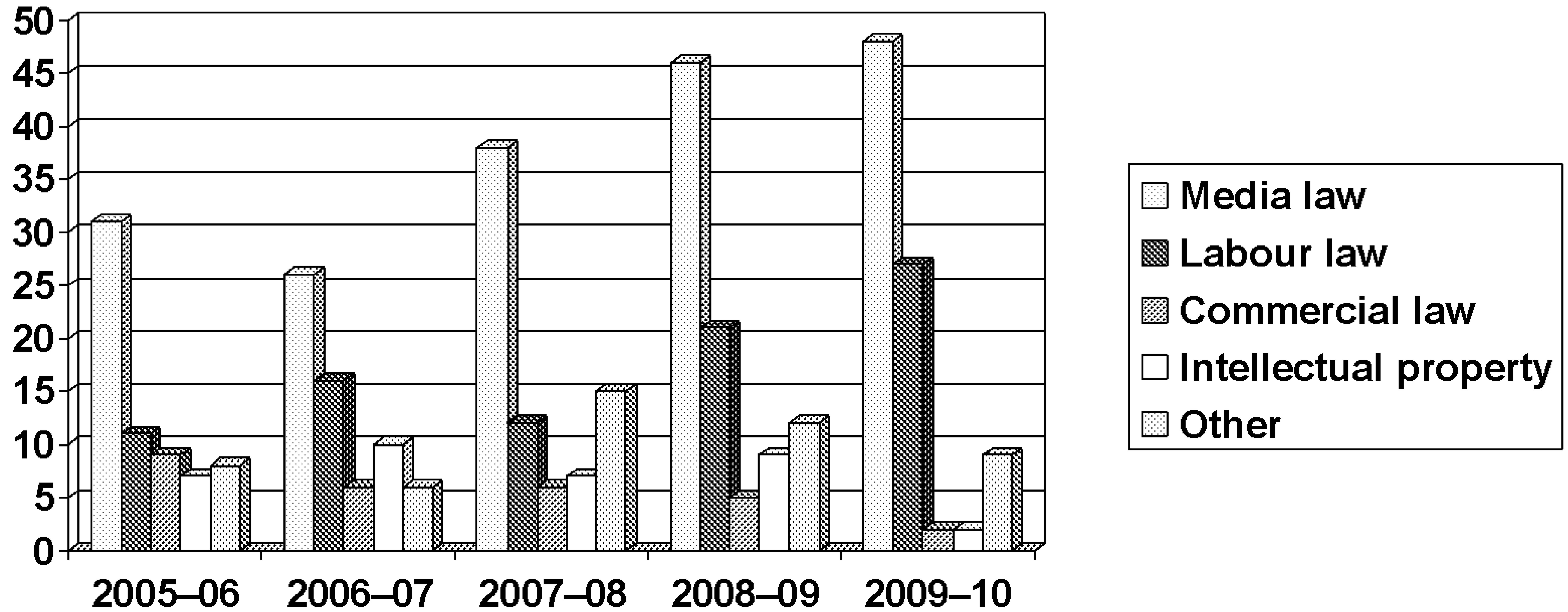
2005–06	2006–07	2007–08	2008–09	2009–10
33%	36%	40%	30%	35%

	2005–06	2006–07	2007–08	2008–09	2009–10
Breakdown of Non-Litigation Cases					
Claims:	$ 26,606.60	$ 76,286.73	$ 98,129.76	$ 232,604.79	$ 77,118.80
Compliance/Admin.:	$ 1,008,659.59	$ 1,263,417.93	$ 1,439,385.45	$ 1,382,351.38	$ 787,612.63
Contracts:	$ 1,392,554.74	$ 1,530,925.39	$ 1,743,154.93	$ 2,193,461.31	$ 2,608,920.56
Copyright/IP:	$ 167,065.44	$ 151,355.09	$ 163,606.94	$ 198,578.12	$ 414,588.81
Labour Law / Grievances:	$ 771,205.82	$ 466,430.65	$ 238,439.82	$ 891,207.51	$ 536,787.81
Media Law:	$ 812,080.03	$ 760,661.10	$ 719,205.25	$ 793,765.87	$ 784,429.86

- The percentage assigned to litigation has stayed constant.

Analysis of Open Litigation Matters

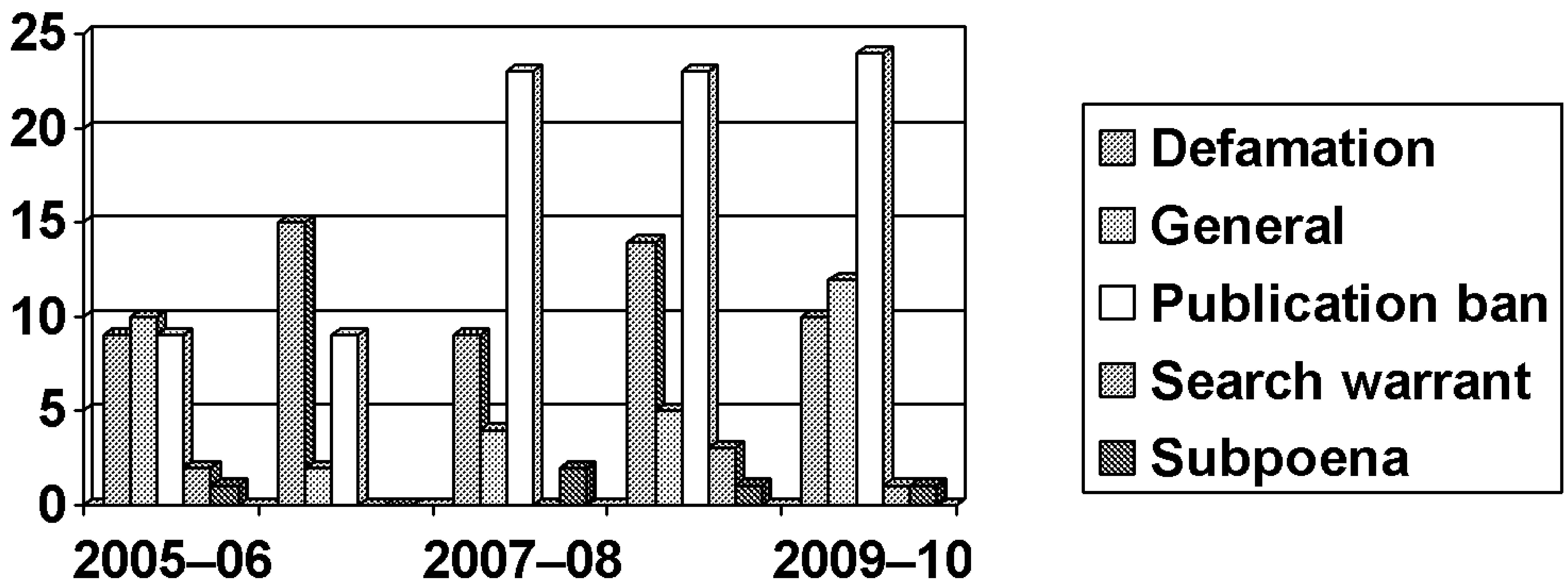
	2005–06	2006–07	2007–08	2008–09	2009–10
Media law	31	26	38	46	48
Labour law	11	16	12	21	27
Commercial law	9	6	6	5	2
Intellectual property	7	10	7	9	2
Other	8	6	15	12	9



- This table shows an increase in media- and labour-law litigation matters but, as we'll see later on, it doesn't entail greater financial risks for the company.

Analysis of Media Law Litigation Matters

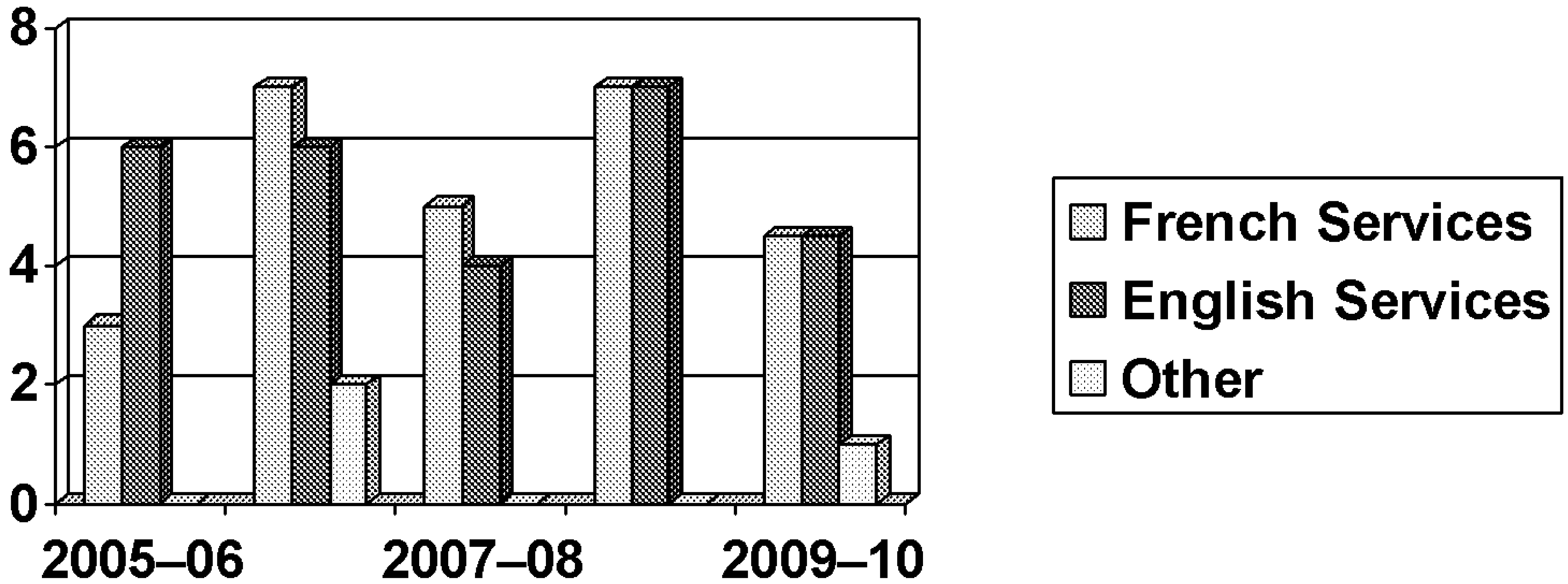
	2005–06	2006–07	2007–08	2008–09	2009–10
Defamation	9	15	9	14	10
General	10	2	4	5	12
Publication ban	9	9	23	23	24
Search warrant	2	0	0	3	1
Subpoena	1	0	2	1	1



- The increase in media litigation matters stems largely from a jump in "publication ban" cases, which don't pose a financial risk for the Corporation. Rather, they are legal procedures linked to our news operations.

Analysis of Defamation Suits

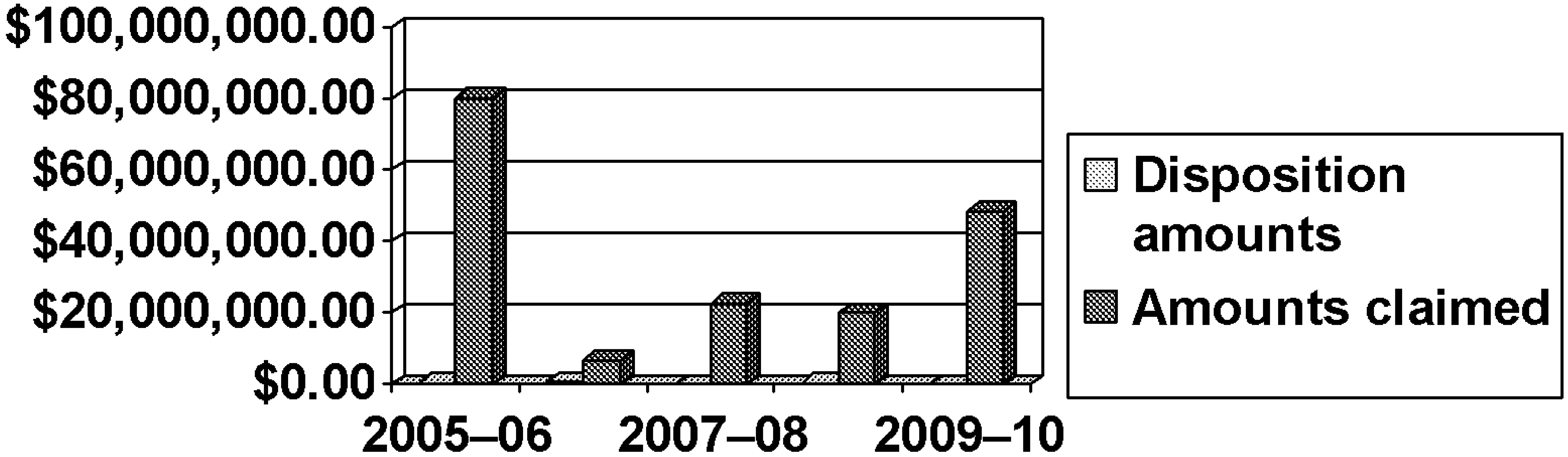
	2005–06	2006–07	2007–08	2008–09	2009–10
French Services	3	7	5	7	4.5
English Services	6	6	4	7	4.5
Other	0	2	0	0	1



- The number of defamation suits is very similar for English and French Services.

Analysis of Amounts at Stake: Defamation Suits

	2005–06	2006–07	2007–08	2008–09	2009–10
Number of closed matters	30	7	15	12	14
Amounts claimed	$80,220,500.00	$6,705,608.00	$22,735,160.00	$19,990,069.00	$48,420,826.20
Disposition amounts	$494,549.72	$700,056.52	$67,984.01	$400,000.00	$29,000.00
Difference between amounts claimed and amounts paid	-$79,725,950.28	-$6,005,551.48	-$22,667,175.99	-$19,590,069.00	-$48,391,826.20



s.23

Analysis of Amounts at Stake in Defamation Suits

Disposition amounts	$494,549.72	$700,056.52	$67,984.01	$400,000.00	$29,000.00
CaseValue					

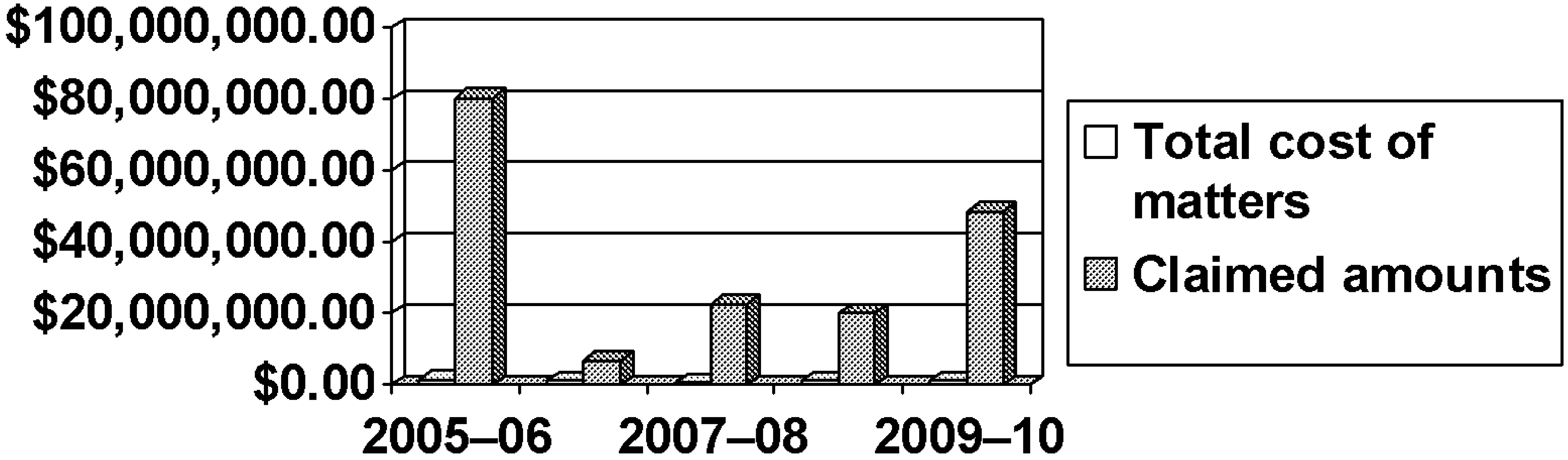
s.23

Difference between Case Value and Disposition Amount

2005–06 2007–08 2009–10

Analysis of Overall Costs From Defamation Suits

	2005–06	2006–07	2007–08	2008–09	2009–10
Total cost of matters	$1,666,060.50	$1,304,822.94	$610,948.35	$1,117,418.65	$1,123,062.17
Amounts claimed	$80,220,500.00	$6,705,608.00	$22,735,160.00	$19,990,069.00	$48,420,826.20
Disposition amounts	$494,549.72	$700,056.52	$67,984.01	$400,000.00	$29,000.00
Total legal costs (internal and external)	$1,171,510.78	$604,766.42	$542,964.34	$717,418.65	$1,094,062.17



- The average cost of our defamation matters is about 3.25% of the amount claimed.

Analysis of Defamation Matters Following Receipt of a Demand Letter

For French Services only

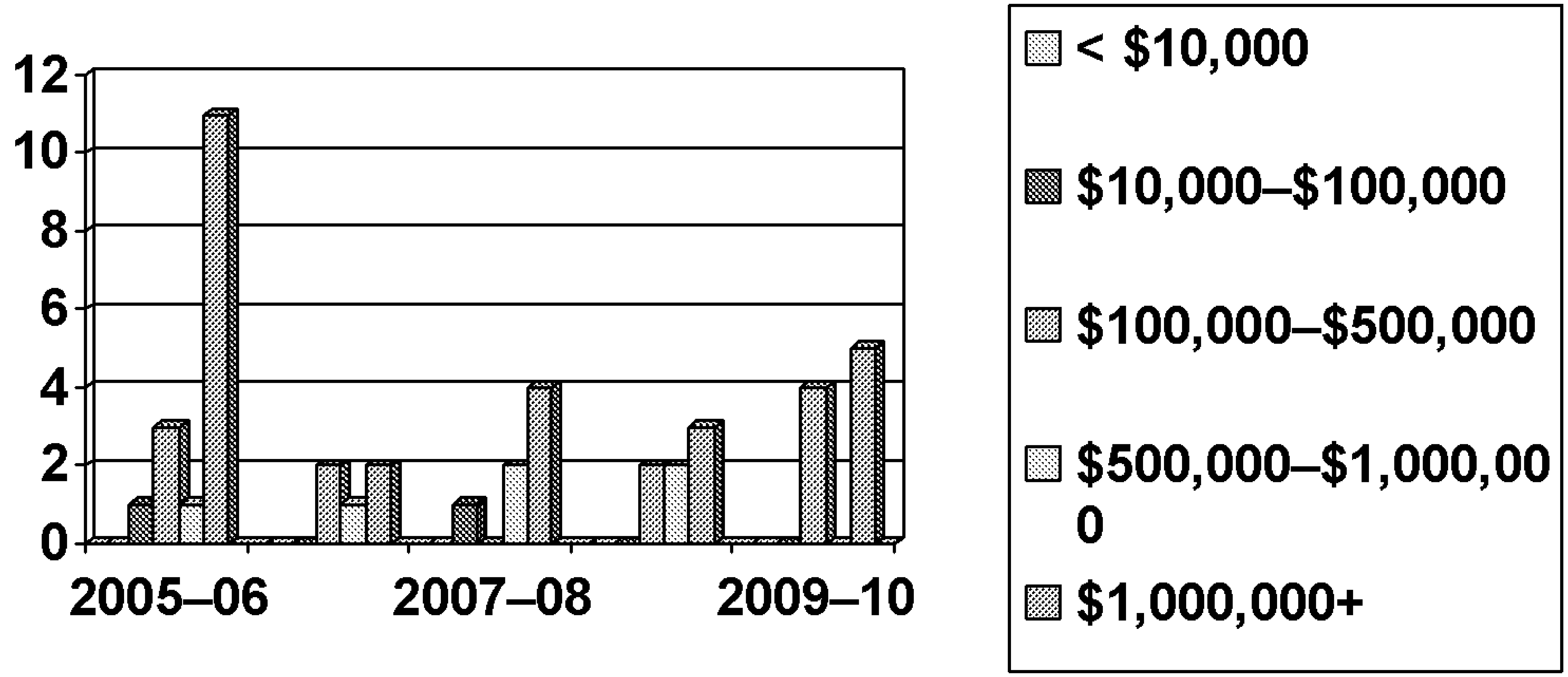
	2008–09	2009–10
Number of demand letters received	19	20
Settled/ended at demand letter stage	15	16
Demand letters resulting in lawsuits	4	4

	2008–09	2009–10
Percentage of matters settled upon response to demand letter	78.95%	80.00%

- A substantial percentage of matters are resolved upon response to the demand letter.

Analysis of Claims in Litigation Matters

	2005–6	2006–07	2007–08	2008–09	2009–10
$1.00–$10,000.00	0	0	0	0	0
$10,000.01–$100,000.00	1	0	1	0	0
$100,000.01–$500,000.00	3	2	0	2	4
$500,000.01–$1,000,000.00	1	1	2	2	0
$1,000,000.01+	11	2	4	3	5
No amount at stake or recorded in matter	14	2	8	5	5



- Two dollar ranges stand out: $100,000–$500,000 and $1,000,000+

Coming Next Year

- Detailed labour law tables
- A demand letter table including English Services
- A table showing Ombudsman, CRTC, and Press Council complaints

Board of Directors

June 22 & 23, 2010

Subject matter

Annual Report – Organizational Health and Wellness
April 1, 2009 to March 31 2010

Background

This report is presented on an annual basis. It provides an overview of disability management, health and safety, health and wellness, and environment for the Corporation.

Information on the matter

Attached document.

For decision:	☐	For information:	X

Prepared by

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

Date: May 31st, 2010

Recommendation

Last discussed at the Board

Date: June 2009 – Annual review

Decision made:

Next steps

Resolution

Annual Report
Organizational Health and Wellness
April 1, 2009 to March 31, 2010

Board of Directors

June 22-23, 2010

Agenda

- **Disability Management, Health and Safety and Health and Wellness**
  - Overview of absenteeism at CBC/Radio-Canada
  - Major accomplishments
  - Plans for the future
- **Environment**
  - Review of Incidents
  - Major Accomplishments
  - Plans for the future

Overview of absenteeism - Costs

- **Total cost of absenteeism in 2009-2010: $27.7M* or 4.1% of payroll (slight increase from last year at 4.0%)**
  - Short term disability (STD)
    1-3 days : 0.9% of payroll
    4-85 days: 1.5% of payroll
  - Long term disability (LTD):
    1.4% of payroll
  - Special leave
    0.25% of payroll
  - Workers Compensation:
    0.1% of payroll
- **Towers Watson benchmark in 2009 - 3.7% of payroll:**
  - STD 1.0% of payroll
  - LTD 1.0% of payroll
  - Workers Compensation 0.7% of payroll
  - Personal leave 1.0% of payroll

CBC-Radio-Canada higher than Towers Watson benchmark for STD and LTD and significantly lower for workers compensation.

($27.7M includes $8.9M in LTD paid by employees)

Overview of absenteeism - Days

- Total number of days of absence per employee in 2009-2010 at 16.6 (slight increase from last year at 16.1)
  - **STD**: 7.3 days per employee

    1-3 days:
    2.7 days per employee
    68% of employees had one occurrence

    4-85 days:
    4.6 days per employee
    21% of employees had one occurrence
  - **LTD**:
    8.4 days per employee
    4.1% of employees had one or more occurrence
  - **Special Leave**:
    0.8 day per employee
    27% of employees had one or more occurrence
  - **Workers compensation**:
    0.1 day per employee
    0.4% of employees had one or more occurrence
- 2008 Statistics Canada * reports 10.0 days per employee
  - Unionized 13.9 days per employee vs CBC/Radio Canada at 18.7
  - Non-unionized 8.2 days per employee vs CBC/Radio at 9.7

    *From Household Survey: Questionable methodology used, 2009 data not available

General observations

- Higher number of days per employee in French Services (18.4) vs English Services (15.2). It is to be noted that Statistics Canada benchmark for 2008 is 2.1 days/employee higher in Québec vs Ontario

- The number of days per employee is higher in Québec (17.4) vs Ontario (16.0). The 1.4 days difference between the provinces is similar to the difference seen in the Statistics Canada benchmark for 2008 with Québec at 11.6 and Ontario at 9.5 (2.1). However the CBC/Radio-Canada figures are higher

Overview of absenteeism – Causes

- **The leading causes of disability are mental disorders:**
  - For STD*: 18.9%, decrease from last year (24.9%)
  - For LTD: 42.1% slight decrease from last year (43.2%)

- **The second leading causes of disability are Musculoskeletal problems :**
  - For STD*: 15.0%, increase from last year (13.5%)
  - For LTD: 13.7% including back problems, similar to last year (13.6%).

*Based on reported STD cases of more than 10 days

Overview of absenteeism – On-duty Injuries

- **Total injuries: 73 cases*** (from 172 last year)
- **Lost Time injuries**: **19 cases** (from 32 last year)
- **Frequency** is down at **0.19** (from 0.33)
  - Value attributed to ongoing management of claims process whereby cases are reviewed and contested, as appropriate
- **Severity** is down at **5.59** (from 18.47)
  - No major incidents have occurred in the last fiscal year.
  - Severity includes one lost time case having resulted in extended absence:
    - leg amputation from an accident in Afghanistan in August 2007.

** Total includes days lost, medical care and first aid injuries*

Major accomplishments

- **H1N1**
  - Business continuity pandemic plans were revised
  - Several measures were put in place to limit propagation of the virus:
    - Hand sanitizer stands were put at the entrance of the major buildings along with awareness posters
    - Several communications for all made on iO! with high visibility through an icon, by conference calls for managers and face to face meetings with employees in Montreal and Toronto
    - HINI e-mail address created to answer employees questions
    - H1N1 nurses made available on the phone between *October 19, 2009 to January 15, 2010* to assess employees experiencing flu like symptoms and answer any questions
      - 867 calls received
      - 291 employees were suspected H1N1 and ask to stay home resulting in approximately 1 200 sick days
    - Disinfection procedure for shared workstations put in place and triggered when an employee confirmed as a suspected H1N1 case by the nurse

Disability Management

- **Major accomplishments**
  - Implementation of the action plan adopted after the audit of the Disability claims management in 2008 to assess against best practices
    - Absence dashboard produced for components each quarter
    - Disability management files audited on a quarterly basis
    - Disability management team workload report produced monthly
  - Increase time spent for medical and technical evaluation of Workers Compensation cases to protect the Corporation's interests
    - Resulted in 18 claims not recognized as work related
- **Plans for the future**
  - Improve management information on attendance through:
    - Quarterly absence dashboard
    - Communication plan on disability management procedures
    - Continued delivery of the Integrated Attendance Management Course for managers
  - Perform a business case to identify best approach for short term disability costs: self-insured vs insured

Health and Safety

- ## Major accomplishments
  - 181 ergonomic assessments conducted at the request of management. Approximately 200 individual workstations setups provided to staff following revitalization projects (Montreal, Vancouver,Toronto and Sherbrooke)
  - Development of two new Health and Safety guidelines following incidents
    - HMI Light Test Procedure
    - Gamma Ray Scanning of buildings

- ## Plans for the future

s.21(1)(c)

Health and Wellness

- **Major accomplishments**
  - **Employee Assistance Program** (EAP):
    - EAP initiatives to support workforce adjustments
      - On-line articles to support employees and managers
      - EAP financial services info mailed out to early retirement candidates
    - 2009-2010 Utilization : 14.1% (11% last year)
      - Number of cases: 1327 (1045 cases last year)
      - Consultation for psychological difficulties represents 21% of cases
      - Consultation for marital & family issues represent 30% of cases
      - Consultation for legal and financial difficulties represent 22.5% of cases
- **Plans for the future**

s.21(1)(c)

  - **Employee Assistance Program** (EAP):
    - Heighten the promotion of individual wellness to employees

Environment – Review of incidents

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

- Total incidents: 25 in 2009-2010 (down from 27 last year)
-
-

Environment – Major accomplishments

- Environment Lead Team (ELT)
  - Performance reported and reviewed quarterly with senior management at (ELT) meetings with members from People and Culture, Real Estate Services, Transmission, Legal, Risk Management, Fleet Management, Communications and Media Lines
  - Environmental Lead Team Working Group met 5 times
- 90% of space occupied by CBC/Radio-Canada is now certified **BOMA BESt**
- Employee Environmental Awareness Campaigns conducted for Earth Day, Canadian Environment Week, National Waste Reduction Week
- National Cell Phone Take Back Recycling Program collected 407 phones E-Waste
- On-line spills training for large vehicles implemented for (targeted production, Mobile Division, Transmission and National Alarm Centre employees; 241 employees trained)
- Species at risk guidelines completed for management of Transmission activities which could affect species that may be present on owned Transmission sites

Environment – Plans for the future

- Continue employee awareness campaigns to inform on CBC/Radio-Canada initiatives and to sensitize employees on their potential contribution
- Pursue BOMA BESt recertification for Vancouver, Calgary, Regina and Winnipeg
- Implementation of Site Specific Emergency Plans for Fuel Storage Tanks subject to new regulation
- Phased implementation of National E-Waste Management Strategy
- Halocarbon Audit of Operations

Overview of absenteeism per Province
Days / Employee Appendix 1

	STD	LTD	WORKERS COMP.	SPECIAL LEAVE	TOTAL
	Days per employee (FTE)	Days per employee (FTE)	Days per employee (FTE)	Days per employee (FTE)	
Alberta	5,4	9,4	0,1	0,9	15,8
British Columbia	6,0	6,9	0,0	0,5	13,4
Manitoba	5,3	13,7	0,0	0,6	19,6
New Brunswick	9,1	9,7	0,0	0,5	19,4
Newfoundland	6,8	15,3	0,7	0,9	23,7
Nova Scotia	5,7	8,5	0,0	0,6	14,6
North West Territories	6,9	0,3	0,0	1,3	8,5
Nunavut	14,9	1,2	0,0	6,0	21,9
Ontario	6,6	8,6	0,1	0,7	16,0
Prince Edward Island	6,5	9,7	0,0	0,9	17,3
Quebec	8,6	7,7	0,2	0,8	17,4
Saskatchewan	7,3	9,6	0,1	0,9	17,8
Yukon	6,5	0,0	0,0	2,2	8,8
Out of country	0,5	0,0	0,0	0,2	0,6
TOTAL	7,4	8,4	0,1	0,8	16.6

Overview of absenteeism per Component
Days / Employee Appendix 2

	STD 1-3 days	STD 4-85 days	LTD	Workers Comp.	Special Leave **	TOTAL
	Days per employee (FTE)	Days per employee (FTE)	Days per employee (FTE)	Days per employee (FTE)	Days per employee (FTE)	
Corporate Services	2.7	3.7	8.5	0.0	0.8	15.8
English Services	2.6	3.7	8.1	0.0	0.7	15.2
French Services	2.9	5.9	8.5	0.3	0.8	18.4
TOTAL	2.7	4.6	8.4	0.1	0.8	16.6

* In 2009/10, there was a restructuring to CTO that have resulted in an increase to English Services and decrease in Corporate.

** Special leave can include: Bereavement, Marriage, Divorce, Parental leave, Jury duty, Moving, Domestic emergency etc.

Nominating and Governance Committee
Board of Directors

June 22 - 23, 2010

Subject matter

APPOINTMENT OF CHAIRS AND MEMBERS OF BOARD COMMITTEES

Background

Pursuant to the Board's current governance practices, the Chairs and members of Committees are appointed by the Board to hold office from the date of their appointment until the next annual meeting of the Corporation (held in June of each year). Accordingly, each year in June, the Chairs and members of Committees are appointed by the Board for the following year. Changes in the composition of Committees may also occur at other times during the year, depending upon various factors, including changes in the overall Board composition.

Information on the matter

After new Board members are appointed, the composition of Board Committees will be reviewed to ensure that Board members are assigned to Committees for optimal results and appropriate balance, having regard to Board members' skills and experience.

For decision [X] For information [ ]

Name: Maryse Bertrand
date: June 4, 2010

Recommendation

IT IS RESOLVED THAT, on the recommendation of the Chair, the Board of Directors hereby approves the 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.

Last discussed at the Board

Date: March 2010
Decision made: Approved as submitted.

Next steps

Circulate new Committee membership list

PROPOSED COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS

Audit Committee
Comité de vérification

Peter Charbonneau	Chair / Président
Patricia McIver	
Brian Mitchell	
Edna Turpin	

Standing Committees on English and French Language Broadcasting
Comités permanents sur la radiodiffusion de langue française et de langue anglaise

Timothy Casgrain	Chair / Président
Hubert T. Lacroix	President & CEO / Président-directeur général
Edward Boyd	
Linda Black	
Peter Charbonneau	
George Cooper	
Patricia McIver	
Brian Mitchell	
Rémi Racine	
Edna Turpin	
John Young	

PROPOSED COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS

Human Resources and Compensation Committee
Comité des ressources humaines et de la rémunération

Rémi Racine	Chair / Présidente
Timothy Casgrain	
Linda Black	
George Cooper	

Nominating and Governance Committee
Comité des nominations et de la gouvernance

Edna Turpin	Chair / Président
Linda Black	
John Young	

PROPOSED COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS

Real Estate Committee
Comité des projets immobiliers

Rémi Racine	Chair/Président
Timothy Casgrain	
Patricia McIver	
Brian Mitchell	

Strategic Planning Committee
Comité de planification stratégique

Peter Charbonneau	Chair/Président
Linda Black	
Timothy Casgrain	
George Cooper	
Rémi Racine	

CBC Radio-Canada

376th MEETING OF THE BOARD OF DIRECTORS **June 21, 22 & 23, 2010** **Ottawa, Ontario** **<u>LOCATION</u>** **Ottawa Production Centre** **181 Queen Street** **3rd floor, room 333** **Ottawa, Ontario** **Secretariat** **Tel: (613) 288-6281** **Fax : (613) 288-6279**	**376e RÉUNION DU CONSEIL D'ADMINISTRATION** **Les 21, 22 et 23 juin 2010** **Ottawa (Ontario)** **<u>LIEU</u>** **Centre de Production d'Ottawa** **181, rue Queen** **3e étage, Salle 333** **Ottawa (Ontario)** **Secrétariat** **Tél. : (613) 288-6281** **Télécopieur : (613) 288-6279**
<u>Monday, June 21, 2010</u> 12:00 **Meeting of the Audit Committee** 17:00 Conclude **<u>Tuesday, June 22, 2010</u>** 08:00 **Meeting of Nominating and Governance Committee** **Room 336** 09:30 Conclude 09:30 **Meeting of the Board of Directors** **Room 333** 18:00 Adjournment 18:30 **Board Dinner** **(Hon. Kevin Lynch – guest)** Rideau Club Sir Robert Borden Room 99 Bank Street	**<u>Le lundi 21 juin 2010</u>** 12 h **Réunion du Comité de vérification** 17 h Conclusion **<u>Le mardi 22 juin 2010</u>** 8 h **Réunion du Comité des nominations et de la gouvernance** **Salle 336** 9 h 30 Conclusion 9 h 30 **Réunion du Conseil d'administration** **Salle 333** 18 h Levée de la séance 18 h 30 **Dîner du Conseil** **Invité – L'Hon. Kevin Lynch)** Rideau Club Salon Sir Robert Borden 99, rue Bank

CBC Radio-Canada

Wednesday, June 23, 2010		Le mercredi 23 juin 2010	
09:00	**Meeting of the Board of Directors** **Room 333**	9 h	**Réunion du Conseil d'administration** **Salle 333**
15:00	Conclude	15 h	Conclusion

SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Conference Call – March 5, 2010

Friday, March 5, 2010

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Briefing on March 4, 2010 Federal Budget	12:00 (60 min)	Hubert T. Lacroix		
Conclude	13:00			

374th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – March 16 - 17, 2010

Tuesday, March 16, 2010

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. In Camera with President and CEO	14:00 (20 min)			
2. Appointments to Committees	14:20 (5 min)	Timothy Casgrain	YES	
3. Approval of the minutes	14:25 (5 min)	Timothy Casgrain	YES	YES
4. Matters arising from previous meetings	14:30 (5 min)			
5. President's Report	14:35 (10 min)	Hubert T. Lacroix		
6. Chair's Report	14:45 (10 min)	Timothy Casgrain		
7. Presentation of the 2010-2011 Operating, Working Capital and Capital budgets (including Annual Risk Report)	14:55 (160 min)	Hubert T. Lacroix Suzanne Morris		
Break	16:50			
Approval of the 2010-2011 Operating, Working Capital and Capital budgets	17:15		YES	YES
Adjourn	18:00			
Wednesday, March 17, 2010				
8. Real Estate Committee Report	09:00	Rémi Racine		
• Halifax Project	(10 min)		YES	
9. Strategic Planning Committee Report	09:10	Peter Charbonneau		
• Terms of Reference	(10 min)		YES	
10. Nominating and Governance Committee Report	09:20			
• Calendar of Meetings 2011	(10 min)		YES	
11. Audit Committee Report	09:30	Peter Charbonneau		
• IFRS Accounting Policy Decisions	(30 min)		YES	
• Next Generation Converged Network (NGCN) Project			YES	
• High Definition Mobiles Project			YES	
• Rogers Contract			YES	
12. Human Resources and Compensation Committee Report	10:00	Edna Turpin		
• UDA Mandate	(15 min)		YES	
• Approval of 2010-11 Executive and Management/ APS/Confidential Salary Planning Budget			YES	
• Approval of 2009-10 In Tandem Short-Term Incentive Plan Payout Budget			YES	
• Approval of 2010-11 Management Short-Term Incentive Plan			YES	

A0023124_1-000501

13. Post-mortem of Board Approved Business Deals – 1 year after • International Sales • Wonderworld (Children's Broadband Channel)	10:15 (30 min)	Hubert T. Lacroix		
Next meeting – May 11 – 12, 2010 - Ottawa Conclude	12:00			

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) Update on Recovery Plan – Suzanne Morris
e) Annual Report to CRTC – Steven Guiton
f) President's Signing Resolution – Maryse Bertrand
g) Quarterly Financial Management Report at December 31, 2009 – Forecast to year-end – Suzanne Morris
h) Annual Report 2009-2010 Update – Bill Chambers

MEETINGS OF THE BOARD OF DIRECTORS
RÉUNIONS DU CONSEIL D'ADMINISTRATION

PROPOSED / PROPOSÉ
2011

January 18 – 19 / 18 – 19 janvier	Ottawa
March 15 – 16 / 15 – 16 mars	Ottawa
May 10 – 11 / 10 – 11 mai	Fredericton
June 21 – 22 / 21 – 22 juin	Ottawa
September 20 – 21 / 20 – 21 septembre	Ottawa
November 15 – 16 / 15 – 16 novembre	Ottawa

Schedule A

BOARD OF DIRECTORS

March 16 – 17, 2010

Subject matter

CALENDAR OF MEETINGS

Background

Each year, the Board reviews and approves a calendar of meetings for the following year.

Information on the matter

The proposed calendar for 2011 is appended.

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

Prepared by

Name:	Maryse Bertrand
Date:	February 26, 2010

Recommendation

THAT the calendar of meetings for 2011 be approved as presented.

Last discussed at the Board

Date:	June 23, 2009
Decision made:	The calendar of meetings for 2010 was modified.

Next steps

Distribute new calendar of meetings for 2011.

Pages 505 to / à 506

are withheld pursuant to sections

sont retenues en vertu des articles

18(a), 18(b), 20(1)(b)

of the Access to Information Act

de la Loi de l’accès à l’information

s.18(a)

s.18(b)

Schedule "A"

Rogers Communications Inc. ("RCI") - Summary of Transaction Terms

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

Canadian Broadcasting Corporation
Société Radio-Canada

Corporate Secretariat
CBC Radio-Canada
Secrétariat général

RESOLUTION: **RECOGNITION OF SENIOR VICE-PRESIDENT, CORPORATE PRIORITIES AND IMPLEMENTATION**

WHEREAS George Smith has served as a dedicated member of the Senior Executive Team of CBC/Radio-Canada since July 1996;

AND WHEREAS the Board of Directors and the Senior Executive Team have benefited from the strategic and thoughtful guidance provided by George Smith, both in his capacity as Senior Vice-President, Human Resources and Organization, and more recently, as Senior Vice-President, Corporate Priorities and Implementation;

AND WHEREAS George Smith has distinguished himself by his significant personal and professional contribution to the success and well-being of the public broadcaster through a number of initiatives, notably in connection with the peace plan, the resolution of various pension issues, and the restructuring of the Technology function, to name a few;

AND WHEREAS the Board of Directors wishes to recognize George Smith for his achievements, for his commitment to the Corporation, and for his strong leadership, in both his roles,

IT IS RESOLVED THAT the Board of Directors expresses its appreciation and admiration to George Smith for his dedication and contribution to CBC/Radio-Canada, its mission and its mandate.

Strictly Private & Confidential

CBC & Rogers Deal Summary

Audit Committee Presentation

10 March 2010

CBC

Contents

s.68.1

CBC

Section 1 | Introduction

CBC

Introduction

- Television is evolving from being a linear medium that viewers watch in real time, to a non-linear one, which audiences consume on demand.
- Broadcast Distribution Undertakings ("BDUs" or cable and satellite companies) are adding non-linear offers:
  - BDUs have traditionally concentrated on linear channels and in particular the addition of many specialty channels to their line ups.
  - BDUs are currently adjusting their strategy and adding non-linear offers, such as video on demand ("VOD"), in order to retain their current subscribers.
  - The BDU's non-linear offers are likely to become the most important in the market.

Section 2 | Rogers & CBC Deal

Deal Overview

- The CBC challenge:
  - [redacted]
  - [redacted]
  - [redacted]

s.20(1)(b)

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

- Rogers and CBC have agreed in principle to an "umbrella agreement" MOU for which we are seeking Board approval, that addresses the following:
  - ***Specialty Channels:*** Distribution of CBC's specialty digital channels on Rogers' broadcast distribution service.
  - [redacted]
  - [redacted]
  - [redacted]

s.68.1

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

Deal Financial Overview

[redacted]

Annual Revenue

[redacted]

Annual Revenue

[redacted]

One Time Revenue

[redacted]

[redacted] is at risk from a lower subscription rate

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

[redacted]	
Rogers	
Other BDUs	
Total	

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

Broadcast Channels

[redacted]				
Term	5 Years	5 Years	5 Years	3 Years
Subscription Rate				
Package				
Advertising				
Others				

1.
2.

CBC

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

s.20(1)(b)

Rogers On Demand & Rogers Broadband Site

[redacted]					
Term	5 Years	5 Years	5 Years	5 Years	3 Years
Rate					
Package					
Advertising					
Others					

CBC

Section 3

Alignment With Strategy & Risk Discussion

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

Risk Issues

* Source: AC Nielson Feb 2010

Appendix 1

Business of Canadian BDUs

The Major BDUs Are Large, Integrated And Very Profitable

- As an industry, the major Broadcast Distribution Undertakings ("BDUs") generate roughly $10.6 billion in revenues and $4.5 billion in operating profits from their services (cable, telephony, and Internet).
- As of August 31, 2008, 90% of Canadian households subscribed to cable/satellite TV services.

ROGERS	Eastern Canada	2.3 million	70%	$2.9 billion	$1.3 billion
Bell	National	1.9 million	100%	$1.5 billion	$232 million
SHAW	Western Canada	2.3 million	57%	$2.6 billion	$1.3 billion
SHAW DIRECT	National	0.9 million	100%	$685 million	$224 million
COGECO Life's just better with cable	Ontario/Quebec	0.9 million	58%	$1.0 billion	$524 million
VIDÉOTRON	Quebec	1.6 million	62%	$1.9 billion	$891 million

Note: Subscriber and financial data as of August 31, 2009. Revenues and operating profits include cable, telephony, and Internet services.
Source: CRTC, Company information

The BDUs Are Diversified Across Many Businesses

s.20(1)(b)

- The BDUs are diversified across all telecommunication and media businesses earning a mix of subscription and advertising revenues.
- All the BDUs are able to provide "triple-play" packages to consumers (TV+Telephony+Internet) with some offering "quad-play" (Triple-play+Mobile).

	ROGERS	Bell	SHAW	SHAW DIRECT	VIDÉOTRON	COGECO life's just better with cable
TV Distribution						
VOD						
Landline						
Mobile						
Internet						
Conventional TV						
Specialty TV						
Radio						
Print						
Sports Teams						

● Provides ○ Does Not Provide ✓ Underway

Note: Shaw owns wireless spectrum but has not started a wireless network yet
Source: Company information

CBC

BDUs Are Evolving Business Models In Reaction To Their Changing Environment

Pressures on BDU Industry

Multi-Platform Competition
- Competition with mobile / wireless, internet / broadband, in addition to traditional cable and satellite.

Dis-Intermediation
- Viewers increasingly have direct access to content eg. Hulu, Apple, CBC Video Player, without going through BDU.

Customer Retention
- Increased competition from BDUs and other platforms for customers. Very easy for customers who are price sensitive to switch.

Reactions to Manage Risk

Multi-Platform Competition
- These platforms are becoming more video based. To be competitive BDUs must offer at least what the competition has.

Dis-Intermediation
- Important to build VOD, PPV platforms that will allow BDUs to keep pace with the non linear platforms.

Customer Retention
- Offer triple or quadruple plays (Mobile, TV, Internet, Home Phone), to retain customers. Emphasis on exclusive smartphone deals and mobile applications.

Rogers' Collection Of Assets Complement Each Other

ROGERS™

Fido | **Rogers**

- Voice
- SMS
- Mobile Internet via phone and USB device
- Music
- Radio
- Video

Television
2.3 million basic incl. 1.6 million digital

- Conventional
- Specialty
- VOD
- Pay
- HD
- Galaxie
- Radio

Internet
1.6 million subscribers

- 6 different tiers
- Email service
- Broadband VOD
- Security software
- Yahoo! services

Retail Store
460 branded retail stores

Telephone
909,000 subscribers

Business Services

Citytv
5 stations

OMNI 1/2
5 stations

Specialty Channels

- Sportsnet
- G4 TechTV
- OLN
- Biography
- Shopping
- Setanta
- TvTropolis
- Application for a second national sports channel is before the CRTC
- Regional all-news channel is under development (CP24 like service)

54 Radio Stations

Magazines

Vuguru
Content Creation

Blue Jays
Incl. Rogers Centre

Source: Company information

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

CBC's Digital Offer Complements Rogers's Strategy

ROGERS

[redacted]

[redacted]

[redacted]

Source: Company information

Appendix 2

Specialty Channel Regression Analysis

s.68.1

If News Network's monthly

Appendix 3 | Rogers Definitions

CBC

Definitions

- **Rogers on Demand:** Rogers video on demand service allows subscribers to Rogers cable service to access a library of movies and shows via a set-top box.

- **Rogers Pay-Per-View:** Rogers offers a service, which allows subscribers to its cable service to purchase events, such as hit movies, concerts and sporting events, for viewing via private telecast.

- **Rogers Broadband Site:** Rogers has created an Internet broadband video service available only to Rogers' cable TV, Rogers hi-speed Internet, Rogers home phone and Rogers wireless customers in Canada ("Rogers Customers").
  - Subscribers to the Rogers broadband service can access prime time, daytime and specialty TV, movies, sports and web-exclusive video content via broadband internet. Content on the Rogers Broadband Site will be available only to Rogers Customers that subscribe to the Rogers Broadband Site.
  - In addition, Rogers cable TV subscribers are able to access a similar array of content to that to which they have access via their set-top box (for example, subscribers to a specialty cable package, say sports, will have access to sports content on the broadband service that others would not normally have access, by virtue of their subscription to the specialty cable package).

CBC

Appendix 4

Additional Rogers On Demand & Broadband Commercial Terms

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

Rogers On Demand & Rogers Broadband Site

[redacted]

s.18(b)
s.68.1

CBC

s.68.1

s.68.1

Appendix 5

CBC

Pages 536 to / à 540

are withheld pursuant to section

sont retenues en vertu de l'article

68.1

of the Access to Information Act

de la Loi de l’accès à l’information

Schedule A

Board of Directors

(March 16 - 17, 2010)

Subject matter

Roger's Deal

Background

Approved by Audit Committee

Information on the matter

For decision ☐ **For information** ☐

Prepared by

Name: Richard Stursberg
Date: March 12, 2010

Recommendation

Board approval

Last discussed at the Board

Next steps

CBC: A Content Company

CBC: A Content Company

- Content is evolving from professionally produced linear content, to non-linear content the audience interacts with.
- **Linear**: Content consumed in real time (TV, radio, etc.)
- **Non-Linear**: Content consumed when and how the reader/listener/viewer wants (books, CD's, newspapers, etc.)

Traditional Media

- Platforms and content are tightly tied together

Linear	Television *TV shows appear only on TV*	Phone-in shows
Non-Linear	Books *Novels appear only in books* Newspapers *Print Journalism only in newspapers*	Letters to the Editor Fanzines & Pamphlets

New Media

Linear	Web-sites Streams
Non-Linear	VOD PPV Podcasting iTunes DVD's CD's

New Media

- Content and Platforms are loosely tied

	TV shows can appear on:	Radio shows can appear on:
Media	Televisions DVD's VOD PPV iTunes Google YouTube	Radio Satellite Radio CD's Podcasts Web-sites Mobile phones

The Shifting Structures: *Two Examples*

An Old Example: Feature Films

Theatrical → DVD → PPV/ VOD → Pay TV → Broadcast TV

New Examples: Drama & Radio

TV
- Video Player
- VOD
- PPV
- Mobile

Radio
- Podcast
- iTunes
- Smart Phones
- Mobile

Keys to Success

- We need to ensure we have the rights to all the new windows, as they evolve
- We need to ensure we understand and have good relationships with the new platform owners

Schedule A

Board of Directors

(March 17, 2010)

Subject matter

s.23

Background

s.18(b)

s.20(1)(b)

Information on the matter

For decision ☒ **For information** ☐

Prepared by

Name:	George Smith
Date:	March 16, 2010

Management recommendation

Last discussed at the Board

Date:	
Decision made:	

Next steps

Anticipated project completion date: **Marc 31, 2010**

(If contract, indicate date of expiry):

C:\Documents and Settings\usr\My Documents\Edith\GS\DOC COVER-PG.doc s.23

From: JACQUES GABOURY
To: Lacroix, Hubert T
Date: March 15, 2010 5:47:53 PM
Subject:

Dear Hubert,

Jacques Gaboury

This email is SOLICITOR/CLIENT PRIVILEGED and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited.

CC: Gadoury, Sylvie; George C B Smith; John Lee

Schedule A

Audit Committee

March 10, 2010

Subject matter

CBC/Radio-Canada Third HDTV Mobile

Background

The migration to High Definition Television continues at a rapid pace and demand is far greater than supply. Our existing two HD mobiles are operating at capacity and new HD capacity is required to keep the Mobile Productions Division as a viable business. As client demands shifts to HD, the Division must rent costly HD mobiles to fulfill production obligations. The economics of renting HD capacity is not sustainable.

In March 2006 the Board approved a project to construct the 2nd HDTV mobile and it has been four years since the last mobile was built.

The attached presentation relates to a project for the construction of a 3rd HD mobile using a Capital Lease. This 3rd DH Mobile would provide capacity to avoid costly rentals and generate additional revenues. By using a Capital Lease, there is no use of the capital appropriation.

Information on the matter

See attached presentation

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

Prepared by

Name: Fred Mattocks
Date: 2010-02-26

Management recommendation

It is recommended that the Audit Committee recommend to the Board of Directors to approve management's recommendation to proceed with the construction of the 3rd HDTV mobile utilizing a capital lease.

Last discussed at the Board

Date: February 2006
Decision made: The Board of Directors approved the construction of the 2nd HDTV Mobile.

Next steps

Initiate the project to complete the construction of the 3rd HDTV mobile.

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

APPENDIX 1

RESOLUTION

High Definition Television Mobile Unit

WHEREAS the first CBC/Radio-Canada High Definition (HD) Television Mobile unit has been fully deployed since October 2005 and the second HD Television Mobile unit has been fully deployed since March 2007 and they are effectively running at full capacity;

WHEREAS the Corporation must continue to protect its franchise and bargaining power around high value sports and other high impact properties such as drama and variety;

WHEREAS the procurement of a third HD Television mobile is part of the overall strategy to avoid costly HD mobile rentals and grow the external business in the HD environment to protect the Corporation's revenues;

WHEREAS the Corporation deems advisable and beneficial to acquire a third High Definition Television mobile unit;

WHEREAS the estimated cost to design and build a third HD Television mobile unit is

WHEREAS the Corporation wants to acquire a third HD Television mobile unit by means of a capital lease and the resulting lease finance charges are projected to be over 5 years.

BE IT RESOLVED:

(Approving Project) That the Corporation be and is hereby authorized to proceed with the procurement of a third HD Television mobile unit at a cost not exceeding exclusive of lease finance charges;

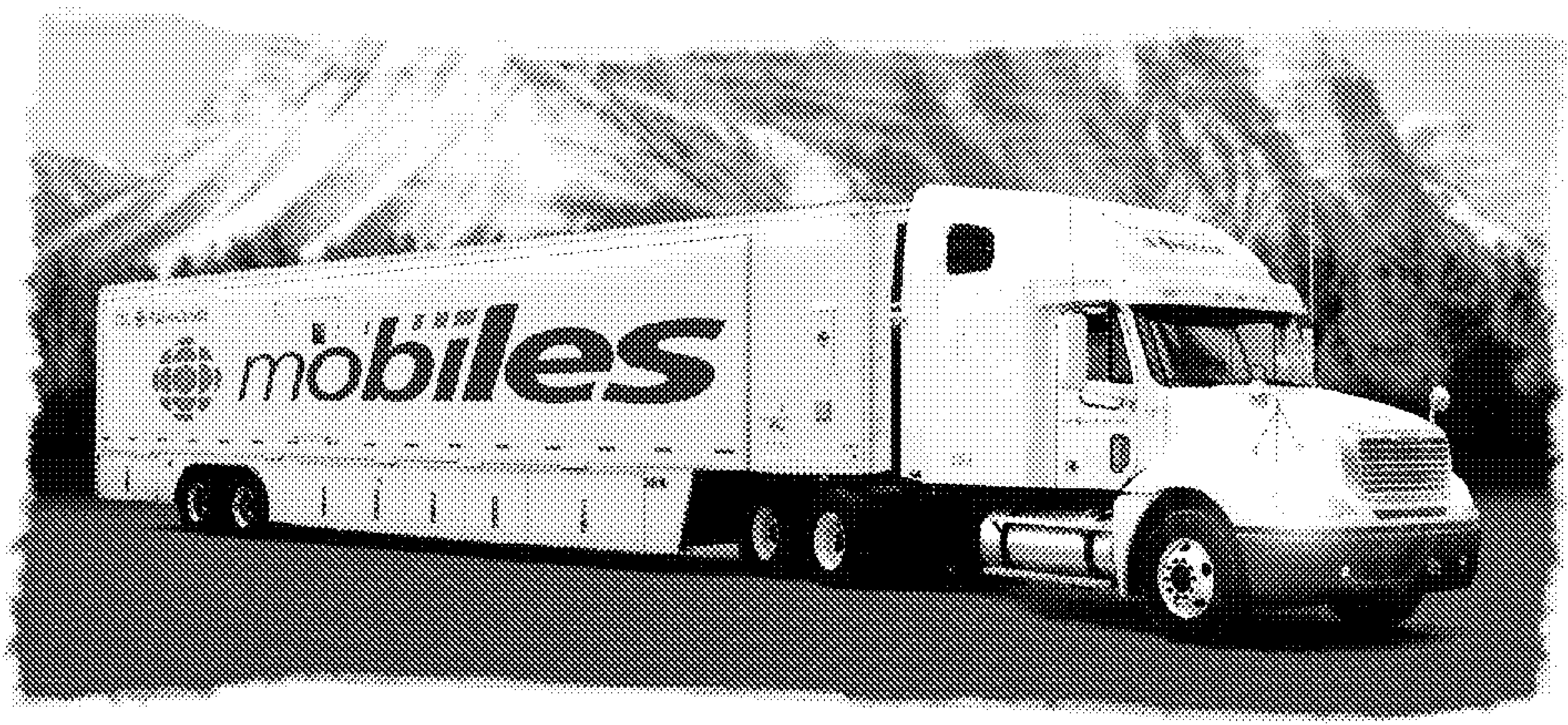
(Approving the negotiation of the procurement agreements) That the Corporation be and is hereby authorized to negotiate and enter into all necessary procurement agreements with suppliers in order to realize the procurement of a HD Television mobile unit ;

(Approving the negotiation of a Capital Lease Agreement) That the Corporation be and is hereby authorized to negotiate and enter into a Capital Lease Agreement with a financial institution of its choice with respect to the third HD Television mobile unit;

(Further authority) FURTHER RESOLVED THAT any one of the President and CEO, or the Vice President, Real Estate, Legal Services and General Counsel or their respective delegates, together with the Vice President, Chief Financial Officer or her delegate, are hereby authorized for and on behalf of the Corporation to negotiate, enter into and to execute under the corporate seal of the Corporation or otherwise and to deliver to the other parties thereto, the necessary agreements to procure the HD Television mobile unit on the terms and conditions enunciated in the foregoing resolutions together with any other terms and conditions as they may see fit with such alterations, additions, and amendments or variations they deem necessary or advisable in their absolute discretion, and whose signature shall be conclusive evidence of such approval by the Corporation;

FURTHER RESOLVED THAT the Vice President, Real Estate, Legal Services and General Counsel or the Vice President, Chief Financial Officer 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, and the taking of any such action or the doing of any such thing or the execution of any such instrument or document or the delivery of any such instrument, document or material by the Vice President, Real Estate, Legal Services and General Counsel or the Vice President, Chief Financial Officer shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

BOARD OF DIRECTORS' - AUDIT COMMITTEE PRESENTATION



Mobile Productions – HD3

March 2010

A0023215_5-000555

Division Mandate

- Established in 2005 as the lowest cost means of servicing the Corporation's growing demand for High Definition (HD) mobile production.
- Mandated to serve internal needs, while maximizing the R.O.I. of the fleet by generating external business with excess mobile capacity.
- The Division is a business positioned for growth, but lack of HD mobile capacity is preventing this.

Division Economic Challenges

- Greatest challenge – how to achieve its goal of evolving and growing as a viable business while also fulfilling its mandate?
- Current capacity of two HD mobiles is fully maxed-out.

s.21(1)(b)

- Internal demand to double in the years ahead.
- Constraints on Corporate capital to invest in expanding the HD mobile fleet.
- This document proposes a viable solution.

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

The Case for HD3

CAPACITY ISSUES

- HD1 and HD2 are fully utilized. Cover off of internal demand and of external business.
- Without increased HD capacity the Division will not be able to meet the demand in internal growth, nor will it be able to sustain or grow its external business.
- As client demands shift to HD, the Division must rent costly HD mobiles. The economics of rentina HD capacity is not maintainable. Rental costs this year alone are in F'08 the figure was

MAJOR CONTRACTS

- External business is the financial engine of the Division.
- To service existing contracts and pursue additional long-term business, the Division needs to invest in its HD capacity.
- The profile of a successful mobile vendor is one that can provide their clients with continuity in HD capacity as opposed to a vendor that can only supply a revolving door of rental mobiles.

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

The Case for HD3

CAPITAL COSTS / FINANCING

- HD3 to cost approximately less than HD1 and HD2).
- Corporate capital is constrained for investment in expanding the HD mobile fleet.
- Internal financing was considered, but wasn't a viable option.
- The optimal solution given the parameters is a Capital Lease:
  - Model assumes a variable rate lease – implicit lease rate would start at and increase each year
  - Lease financing costs would be over a five-year term
  - Payback period is
  - Internal rate of return for the investment is estimated to be
  - The net benefit of the investment is over 10 years
- The Business Case assumes a 10-year life for HD3, but historically the life of a mobile is 15 – 20 years.
- Refer to Appendix 1 and 2 for details of the key assumptions and financial model respectively.

The Case for HD3

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

COMPETITION

- The Division has evolved into a per year business that meets the mobile demands for internal clients, and sells the excess capacity to generate revenue.
- The Division is in a sellers market and demand for HD mobiles will outstrip supply for some time to come.

The Case for HD3

BENEFITS

- Improved cash flow by avoiding costly HD rentals and facilitating growth in revenues.
- Using a Capital Lease and paying it off with external business avoids the use of the capital appropriation.
- Scheduling efficiencies and better utilization of HD1 and HD2 would be realized with HD3. This will allow for a higher availability of HD mobiles to the media over the five-year lease period and beyond.
- Business case aligns itself with the President's objectives – *People, Programs, and Pushing Forward*.

s.18(b)

The Case for HD3

RISKS

RISKS	MITIGATION
Unable to achieve sales and rental savings targets. s.18(a) s.18(b)	Being in a sellers market, the trend to HD programming, and client base offsets this risk. Media services have agreed to make up any shortfall from the HD3 business case.
Cost of HD3 exceeding	HD1 and HD2 were delivered under budget so cost estimates are reliable and a contingency expense is built-in.
s.68.1 Internal demand drops off due to the loss of a major contract	If it is not renewed, HD3 will have less than n lease payments outstanding but the Fair Market Value of HD3 will be between s.68.1 s.18(a) s.18(b)
Lease rates increase greater than expected.	Lease terms provide flexibility to manage risk and the financial model was tested for rising rates.

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

Conclusions

- The status quo is not an option. HD3 is a requirement for success.
- Without increased HD capacity the Division will not be able to meet the demand in internal growth, nor will it be able to sustain or grow its external business.
- As client demands shift to HD, the Division must rent costly HD mobiles. The economics of renting HD capacity is not maintainable.
- Since Corporate Capital is limited, the use of a capital lease to build HD3 is a viable solution and provides a net benefit of over 10 years on the investment.

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are withheld pursuant to sections

sont retenues en vertu des articles

18(a), 18(b)

of the Access to Information Act

de la Loi de l’accès à l’information

Board of Directors

March 17, 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 February 24, 2010. The approved reference levels for 2010-2011 and beyond are also provided.

Information on the matter

See attached.

For information X

Prepared by

Name:	Suzanne Morris
Date:	February 24, 2010

Management recommendation

Not required.

Last discussed at the Board

Date:	January 20, 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		
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Operating Appropriation (Note 1)	789,666	852,821	861,744	862,460	914,197	955,410	955,722	955,731	1,009,121	1,002,668	1,016,429	1,016,429	1,016,429
One-time funding adjustments:													
Transfer from Capital appropriation	13,090			3,636	1,112	9,277	9,277	9,277	9,276	9,276	0	0	0
Transfer to Capital appropriation	-13,298	-15,170	-7,459	-40,921	-10,538	-8,456	-42,676	-27,344	-13,622	-34,874	-9,233	-9,941	-10,704
Funding for PILT increases	300												
Program Integrity Funding - Asbestos	4,000												
Funding to strengthen & revitalize programs		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000			
Transfers from Cdn. Heritage (CCOL) (Note 2)		2,500	2,120	2,000	2,000	0	2,000	1,900	2,000				
Reprofiling		-60,000	20,000	40,000	-20,000	0			20,000				
Cost increases for 2002 Canada Day			1,027										
Funding for RCI (Note 3)				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
Expenditure Review Reduction (Budget 2007)									-6,638	-9,483	-11,854	-14,680	-14,680
Unavoidable new costs (Note 4)	300	253											
Total Operating Appropriation	794,058	840,404	937,432	932,695	936,771	1,006,231	974,323	989,564	1,070,137	1,017,587	985,342	981,808	981,045
Capital Appropriation	101,809	100,311	97,631	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	-13,090			-3,636	-1,112	-9,277	-9,277	-9,277	-9,276	-9,276			
Transfer from Operating appropriation	13,298	15,170	7,459	40,921	10,538	8,456	42,676	27,344	13,622	34,874	9,233	9,941	10,704
Reprofiling of vote from 99/00 to 00/01	25,000												
Reprofiling of vote from 00/01 to 01/02	-23,000	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	104,017	138,481	105,090	129,616	95,757	87,510	135,730	110,398	96,677	117,929	101,564	102,272	103,035
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	902,075	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	1,090,906	1,088,080	1,088,080
Less Reprofiling Decision (Capital)	**-2,000**	**-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	900,075	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	1,090,906	1,088,080	1,088,080

Note 1 The operating appropriation includes retroactive and in-year salary funding adjustments up to and including 2010-11.

Note 2 Expected CCOL funding was not transferred from Canadian Heritage in 2005-06.

Note 3 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.

Note 4 Permanent funding adjustments for unaviodable new costs, merit and salary increases are reflected in the base operating appropriation.

A0023219_2-000567

Board of Directors
(March 16 & 17, 2010)

Subject matter

Labour Relations Update

Background

This is a standing item on the Board of Directors' agenda which provides the status of CBC'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:	February 25, 2010

Management recommendation

Not applicable

Last discussed at the Board

Date:	**January 18, 19 and 20, 2010**
Decision made:	

Next steps

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

AGREEMENTS PRESENTLY BEING NEGOTIATED

SYNDICAT	Effective Date	# of Members	Central Issues
FRENCH FILE			
UDA (Union des artistes) **s.18(b)** **s.21(1)(c)**	**Nov. 14, 2005 – Nov. 13, 2009**	**N/A**	Although the collective agreement between the Corporation and UDA does not expire until November 2009, negotiations are currently underway between the two parties We are waiting for a proposed date from UDA. **Notice to bargain was received on February 15, 2010. A preliminary meeting is scheduled for March 11, 2010, for introductory remarks.**
ENGLISH FILE			
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.
ENGLISH FILE			
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United Sates and Canada) (Stagehands)	**No agreement since 1994**	**3**	

SYNDICAT	Effective Date	# of Members	Central Issues
		NATIONAL FILE	
AFM (The American Federation of Musicians of the United States and Canada)	**April 1, 2006 – March 31, 2010** **s.18(b)** **s.21(1)(c)**	**N/A**	**Dates are currently being finalized-targeting March 2010.**
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) will expire June 30, 2010.**

NEGOCIATED 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	646
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	5,141
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	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 1, 2009 – March 31, 2012	1,335
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	380
SCFP	Canadian Union of Public Employees	October 1, 2007 – September 26, 2010	662

Board of Directors
(March 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: February 24, 2010

Management recommendation

Not applicable

Last discussed at the Board

Date: **January 18-20, 2010**

Decision made:

Next steps

Conseil d'administration

(les 16 et 17 mars 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 24 février 2010

Recommandation de la direction

Sans objet.

Dernière discussion au Conseil

Date: **Les 18, 19 et 20 janvier 2010**

Décision prise:

Prochaines étapes

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

Month / Mois : January / janvier 2010
(January 31, 2010 / Le 31 janvier 2010)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL *	TOTAL Begin. FYR 2009/10 Début de l'exercice 2009/10 **	Variance Écart
English Services/ Services anglais	3 304	93	341	391	4 128	4 224	-96
French Services/ Services français	2 848	268	396	601	4 113	4 443	-330
Corporate/ National	918	38	140	15	1 111	1 263	-153
TOTAL	**7 069**	**399**	**877**	**1 007**	**9 352** *	**9 930** **	**-578**

* 9,352 FTE/EPT = 10,147 head count / effectifs réels.
** March 29, 2009: 9,930 FTE/EPT = 10,722 head count / effectifs réels.

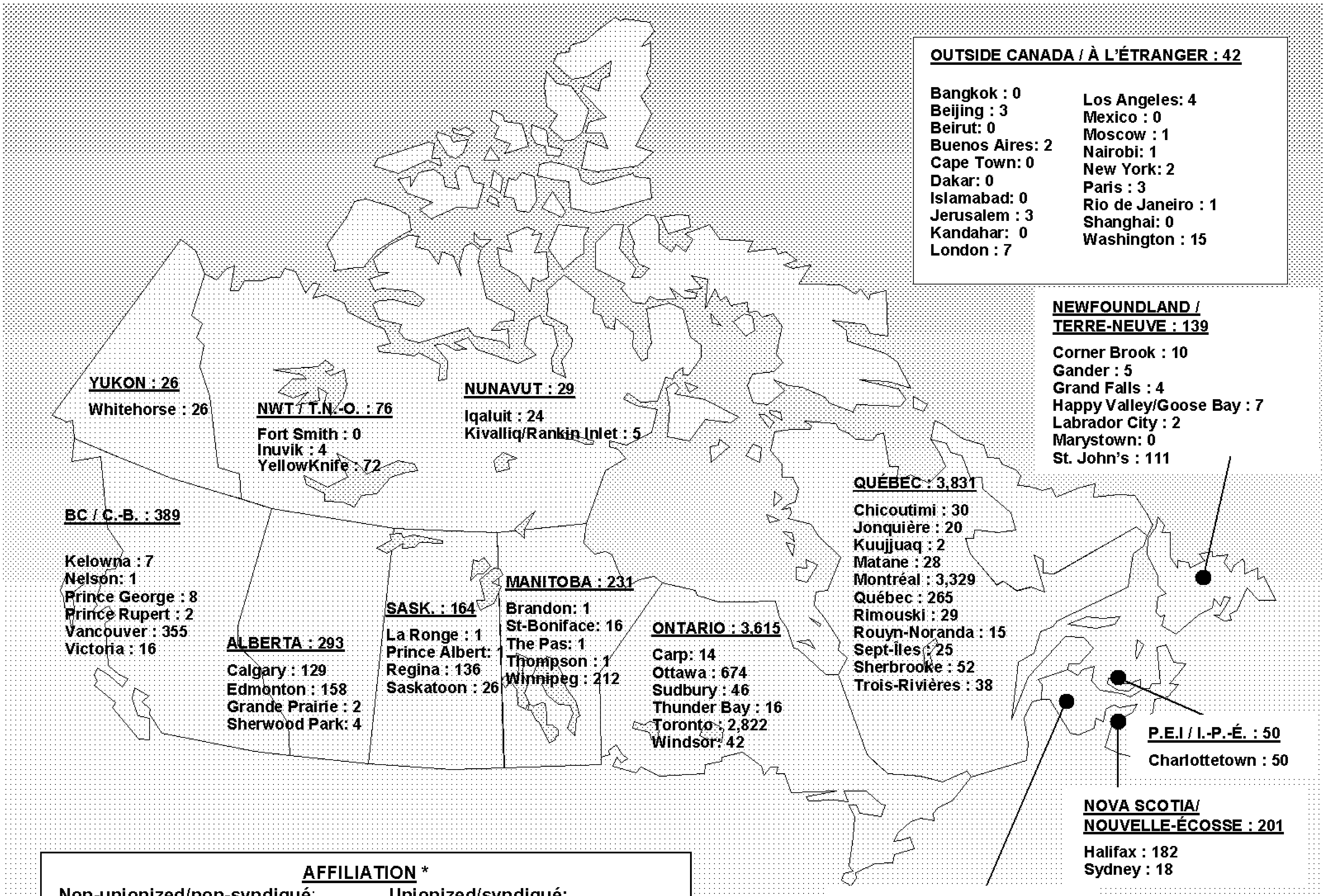
Notes:
(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.
(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /
L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.
(d) 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.

CBC/Radio-Canada Map / Carte

Full Time Equivalent / Équivalent temps plein

January 2010 / janvier 2010



AFFILIATION *

Non-unionized/non-syndiqué:		Unionized/syndiqué:	
Unaffiliated:	25	APS:	693
Executives:	59	CMG:	4120
MS:	1030	SCRC:	1330
Confidential:	172	STARF:	1064
SUBTOTAL:	1,286 (14%)	SCFP:	544
		AR:	315
		SUBTOTAL	8,066 (86%)
GRAND TOTAL:	9,352		

Total FTE/ETP 9,352 = Head count / effectifs réels 10,147

* 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

Board of Directors

March 16, 2010

Subject matter

Recovery Plan - Update

Background

The Board of Directors approved the 2009-2010 Business Plans and Operating and Capital budgets at the March 20, 2009 meeting.

Information on the matter

The attached presentation provides the Board of Directors with an update on the status of the Recovery Plan implementation.

For decision **For information** X

Prepared by

Name: S.Morris
Date: March 1st, 2010

Management recommendation

N/A

Last discussed at the Board

Date: January 19, 2009
Decision made: N/A

Next steps

Keep Board of Directors informed on progress.

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Recovery Plan - Update

Board of Directors
March 16-17, 2010

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2009-2010 Cash Flow Forecast

Board of Directors
March 16-17th, 2010

Subject matter

Licence Renewal Annual Report 2008-2009 to CRTC

Background

CBC/Radio-Canada is required to report to the Commission annually on the following CBC/Radio-Canada services:

- English Television Network and stations
- French Television Network and stations
- English and French Radio Networks
- CBC News Network and Le Réseau de l'information (RDI)

The report provides a summary of the performance of CBC/Radio-Canada services with respect to the requirements that were set out in the Commission's last licence renewal decisions. Normally, this information is provided to the CRTC at the end of November of each year. Due to the large amount of regulatory activity at the end of last year, we are filing at the end of March, 2010.

Information on the matter

This will be CBC/Radio-Canada's ninth Annual Report with the Commission. For the ninth year in a row, we are very pleased to be able to report that based on our performance in 2008-2009, we again have an excellent report card to present to the Commission.

For decision ☐ **For information** ■

Prepared by

Name: Steven Guiton, VP and Chief Regulatory Officer
Date: February 26, 2010

Management recommendation

Last discussed at the Board

Date:
Decision made:

Next steps

We will file this Annual Report with the Commission at the end of March, 2010.

Anticipated project completion date: ____________________

March 16th -17th 2010

VP and Chief Regulatory Officer

Overview of CBC/Radio-Canada's Annual Report to the CRTC: 2008-2009 Broadcast Year

BOARD OF DIRECTORS

1. Background

The requirement for CBC/Radio-Canada to report to the Commission in an Annual Report addressing our main operations flows from the CRTC's January 6, 2000 licence renewal decisions (CRTC Decisions 2000-1, 2000-2 and 2000-3). This reporting requirement covers the following CBC/Radio-Canada services:

- English Television Network and stations;
- French Television Network and stations;
- English and French Radio Networks; and
- CBC News Network and Le Réseau de l'information (RDI).

In granting full 7-year licence terms to these services, the Commission imposed a number of conditions of licence, requirements and expectations. These licence terms have been administratively renewed until 31 August 2010, subject to the terms and conditions in effect under the current licences. It is anticipated that CBC/Radio-Canada's licence renewal will be deferred beyond 31 August 2010 to permit the Commission to complete the licence renewal of CBC/Radio-Canada's services.

In the following pages we provide a summary outlining where the CBC/Radio-Canada services stand with respect to the requirements that were set out in the Commission's renewal decisions. Obligations imposed by condition of licence are the most important regulatory requirements and would require CRTC approval to change them.

This will be CBC/Radio-Canada's ninth Annual Report with the Commission. For the ninth year in a row, we are very pleased to be able to report that based on our performance in 2008-2009, we again have an excellent report card to present to the Commission.

2. Highlights

- **English Radio** has **met or exceeded all of its conditions of licence** and has fully addressed the requirements and expectations set in the renewal decisions.

- **French Radio** has **met or exceeded all its conditions of licence** and has fully addressed the requirements and expectations set in the renewal decisions.

- The specialty television service **Le Réseau de l'information (RDI)** has been operating **in full compliance with nearly all of its conditions of licence** and has fully addressed the requirements and expectations set in the renewal decisions. As with the 2007-2008 broadcast year, the program schedule reflects changes that modified the programming approach with respect to regional programs, with the result that we are meeting the condition of licence requiring 1/3 regional program content in a manner different than that identified by the Commission.

- The specialty television service **CBC News Network** has been operating in **full compliance with all its conditions of licence**, requirements and expectations.

- **English Television** is **fully in compliance with its conditions of licence** and has significantly exceeded many of the requirements and expectations set in the renewal decisions.

- **French Television's** performance has been **exemplary in virtually all areas.** The service has again this year demonstrated that it has met and in many instances considerably exceeded the Commission's requirements and expectations in a variety of important areas. Our application to the CRTC to amend the condition of licence in regard to Music, Dance and Variety programming will be considered by the Commission at our next licence renewal hearing.

3. A Summary of Our 2008-09 Performance

a. The Radio Services

English Radio

English Radio has met or exceeded all of its conditions of licence.

Once again, English Radio has **fully met or exceeded the Canadian content requirements** for both category 2 and category 3 music for both Radio One and Radio Two services.

The Commission's renewal decision also required the Corporation to report progress in terms of extending its Radio Two service to 50% of the English language populations of each province within two years, and to 75% of the English-language Canadian population generally, within that same two year period. This expectation was met in the second year of the licence renewal period.

Today, only one province – Saskatchewan – has coverage of less than the 75% target for the Radio Two service. Radio Two coverage currently reaches 71% of the English-language population in Saskatchewan. There are currently no plans to implement additional transmitters in this province by the end of the licence term.

French Radio

French Radio has met or exceeded all of its conditions of licence.

French Radio has also **met or exceeded all its conditions of licence** with respect to Canadian content and French language vocal music.

In fact, during every month over the entire broadcast year, la Première Chaîne exceeded the 50% condition of licence for category 2 music and provided an average of 60% Canadian content each month. Canadian content for category 3 music on la Première Chaîne averaged 31% over the broadcast year, exceeding the 20% requirement every month.

On Espace musique, category 2 music averaged 60% over the entire broadcast year (exceeding the 50% condition of licence every month), and category 3 music averaged nearly 34% for all 12 months, exceeding the 20% condition of licence every month.

French language vocal content averaged 94% for all 12 months on Espace musique and 93% for all 12 months on la Première Chaîne, where the expectation is 85%.

The Commission's renewal decision also required the Corporation to report progress in terms of extending its Espace musique service to 50% of the French-language populations of each province, and to 75% of the French-language population in New Brunswick and Ontario.

In terms of coverage, since the renewal decision French Radio has undertaken a significant accelerated program to ensure that Canadians in all provinces are able to receive and enjoy Espace musique. All ten provincial capitals now have the Espace musique service and it now reaches more than 91% of the Canadian population whose mother tongue is French.

Today, only two provinces – Saskatchewan and Newfoundland – have coverage of less than the 50% target for the Espace musique service. The coverage currently reaches more than 45% and more than 32% of the French-language population in Saskatchewan and Newfoundland, respectively. There are currently no plans to implement additional transmitters in these provinces by the end of the licence term.

During the 2008-2009 broadcast year, an extension to implement a new transmitter to provide the service of Espace musique was approved for Timmins, Ontario until 2010. Due to budgetary restrictions, the Corporation does not now anticipate it will implement the transmitter until the 2012-2013 broadcast year. Therefore, the Corporation will request an additional extension from the CRTC. This will bring Espace musique's coverage to nearly 70% of the French-language population in Ontario. There are currently no plans to implement additional transmitters in the province of Ontario by the end of the licence term to meet the Commission's expectation of 75%.

b. The Specialty News Services

<u>**CBC News NetworkNews Network and RDI**</u>

CBC News Network and RDI have been operating in full compliance with all conditions of licence. As noted above, RDI has continued to meet its condition of licence in the area of 1/3 regional programming.

Both CBC News Network and RDI were granted rate increases as their licences were renewed. These rate increases were predicated on a range of improvements to the two programming services, for which they are being held accountable as part of the annual reporting process.

Noteworthy achievements for **CBC News Network** in 2008-2009 include:

- **Canadian programs** made up more than 90% of CBC News Network's broadcast schedule in 2008-2009.

- CBC News Network delivered live programming from across Canada and internationally, when it happens

- CBC News Network has expanded its journalistic reach into many underserved regions in Canada. In partnership with CBC Television, it maintains a network of **video-journalists** to report from the following underserved locations across Canada: St John's, Corner Brook and Gander, Nfld; Happy Valley – Goose Bay, Labrador: Bathurst, Fredricton, Saint John, and Moncton, NB; Charlottetown and Summerside, PEI; Halifax and Sydney, NS; Brandon and Thompson, MB; Regina, Saskatoon, and Yorkton, SK; Edmonton and Calgary, AB; Kelowna, Surrey and Victoria, BC; and Yellowknife, Whitehorse and Iqaluit, NWT.

- CBC News Network has **closed captioned** 100% of its programming since November 1, 2002, at a cost of $683,000 in the 2008-2009 broadcast year.

Noteworthy achievements in the past year for **RDI** include:

- **Canadian programs** exceeded 90% of the RDI broadcast schedule in 2008-2009.

- RDI exceeded its condition of licence requirements for **closed captioning**, in terms of both spending and percentage of programming captioned, allocating a budget of $971,000 that resulted in a schedule that is more than 81% closed captioned overall.

- RDI has continued with its live, out-of-studio broadcast of *En Direct*, from regional locations in North-East Quebec, Southern Ontario and the West on a weekly basis.

- RDI also continued its **cross-cultural joint projects** with CBC News Network, i.e. *109 (sang neuf)* on RDI.

c. CBC/Radio-Canada Television Services

Our two television services have met or exceeded virtually all the requirements set for them by CRTC in the renewal decisions. Some of the many significant achievements of both English and French Television for the last broadcast year are highlighted below.

English Television

Among the notable achievements during the 2008-2009 broadcast year are the following:

- **Canadian content** was 80% over the full broadcast day and **81% during the peak period** (7-11 p.m.)

- **Drama programming** averaged 7.3 hours per week in the peak broadcast period, an increase over last years reported 6.9 hours per week and exceeding our commitment of 5.5 hours per week.

- **Canadian performing arts programming** showcased on ETV included 47 Canadian performances over the full day and 10 Canadian performances in the peak viewing **period** in 2008-2009, significantly exceeding the CRTC's expectations of 24 (full day).

- English Television has again met its condition of licence requirement that stipulated it broadcast at least 6 hours a week of **priority regional programming in the peak period** (7 - 11 p.m.).

- ETV provided a weekly average of **22 hours per week of children's programming**, all of it non-commercial, including 22.2 hours of Canadian programming, significantly exceeding the CRTC's expectation of 15 Canadian hours per week.

- Last year, ETV doubled its **local/regional news** programming offering. The news programming was reconfigured effective February 2007 with the introduction of the CBC News at Six package consisting of 60 minutes of local news Monday to Friday in the 6 to 7 p.m. period. Those newscasts were expanded to 90 minutes on August 31, 2009, from 5 to 6:30pm, weekly.

- **Canadian Independent production** now represents 64% of non-news, public affairs and sports programming, significantly exceeding the CRTC's target of 50%. Moreover, 88% of regional programming throughout the day comes from the independent production sector.

- ETV broadcast 210 hours of original programming in **described video**, a significant increase of 191 hours from 2007-2008. In total, ETV broadcast 1070 hours of programming in descriptive video; the vast majority of these were Canadian programs.

- 100% of the English Television schedule is **closed captioned**, effective November 1, 2002. This includes all news-breaks, station breaks and CBC produced promotional material.

<u>French Television</u>

Among the notable achievements during the 2008-2009 broadcast year are the following:

- Full day **Canadian content was 80%**, while **prime time Canadian content was 91%**, significantly more than the 80% level for the 7-11 p.m. peak broadcast period called for by the Commission.

- Again this year, **regional production** of programs other than news has greatly exceeded the Commission's expectation for the end of the licence term, with a total of 923.6 hours broadcast by each station to its regional audience. FTV broadcast on the network 67.5 hours of regional productions in between 6pm and 12am, an average of 9.2 hours each week, which greatly exceeds the Commission's expectations.

- French Television continues to play an important role in supporting the broadcast of independent programming, with 83% of Canadian programs on primetime (other than news, public affairs and sports) produced by independent production companies. This is significantly more than the 50% level for the 7-11pm period which the Corporation committed to.

- French Television also broadcast 31 original **long form documentaries** acquired from the independent production sector in the peak viewing period, significantly exceeding the Corporation's commitment of 18.

- French Television exceeded the condition of licence which requires the broadcast of 4 hours per week of original Canadian production of programs for **children** aged 2 to 11. French Television broadcast 4.1 hours per week of such programming. **Programming for children and youth** exceeded CRTC's overall expectation with nearly 24 hours of programs per week for these groups.

- 100% of news, 99.2% of the schedule in peak hours and 94% of the French Television schedule (sign-on to sign-off) are **closed captioned.**

Schedule A

Board of Directors

March 16-17, 2010

Subject matter

President and CEO's Signing Resolution

Background

In September 2009 the Board approved the attached signing authority.

Information on the matter

At the request of Board members, a copy of the President and CEO's signing resolution is included for reference with the Board materials for each meeting.

For decision ☐ **For information** ☒ X

Prepared by

Name: Maryse Bertrand Date: February 28, 2010

Management recommendation

Last discussed at the Board

Date: Decision made:

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets and in accordance with the provisions of the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation in respect of:

1. *(acquisition or disposition of real property)* any matters which have a financial value* or consideration to the Corporation of up to $4 million, when covered by Section 48(2) of the Broadcasting Act;

2. *(leasing of real property)* any matters which have a financial value* or consideration to the Corporation of up to $15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 dated September 24, 2002;

3. *(programming)* any matter relating to:
   a) the acquisition, production co-production, distribution or financing of programs that commits the Corporation's programming schedule for a period of 4 years or less, or
   b) any media placement by the Corporation that commits the Corporation for a period of 4 years or less

   and has a financial value* or consideration to the Corporation of up to $10 million;

4. *(revenue generating)* without limitations to its financial value or consideration for any advertising agreement or any other matter where the main objective is to generate revenues provided that it commits the Corporation for a period of 4 years or less and does not require the corporation to invest more than $15 million;

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

5. *(Investments)* any matters related to investments made pursuant to Corporate Policy 2.3.29 Management of Investments which have a financial value of up to $100 million:

6. *(general)* any other matters which have a financial value* or consideration to the Corporation of up to $5 million, save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 or Section 46.1 of the *Broadcasting Act.*

For greater certainty, the above authority does not include the authority to:

a) agree to or enter into new business ventures on behalf of the Corporation

b) discontinue or cease the operations of a division or business unit; or

c) dispose of a significant portion of the assets of a division or business unit.

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the Corporation to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the Corporation in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

* Financial value includes the value of any option as if exercised.

Board of Directors
(March 10, 2010)

Subject matter

2009/2010 Quarterly Financial Management Report – December results.

Background

N/A

Information on the matter

See attached.

For decision **For information X**

Prepared by

Name:	S.Morris
Date:	February 23, 2010

Management recommendation

N/A

Last discussed at the Board

Date:	January 19, 2010
Decision made:	Reviewed 2009/2010 Monthly Financial Management Report - November 2009 results.

Next steps

4th quarter results will be presented in June

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CBC Radio-Canada

2009/2010
QUARTERLY FINANCIAL MANAGEMENT REPORT
3rd quarter ended December 31, 2009

March 10, 2010 Confidential

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TABLE OF CONTENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended December 31, 2009 and 2008

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. Non-cash items such as accrued pension plan expenses and other employee future benefits and amortisation are not recognised on a budget basis.

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

A reconciliation between the financial results prepared in accordance with GAAP to operating and capital financial results prepared on a budget basis is provided in the notes to CBC/Radio-Canada's annual audited financial statements.

Financial Review and Analysis Content

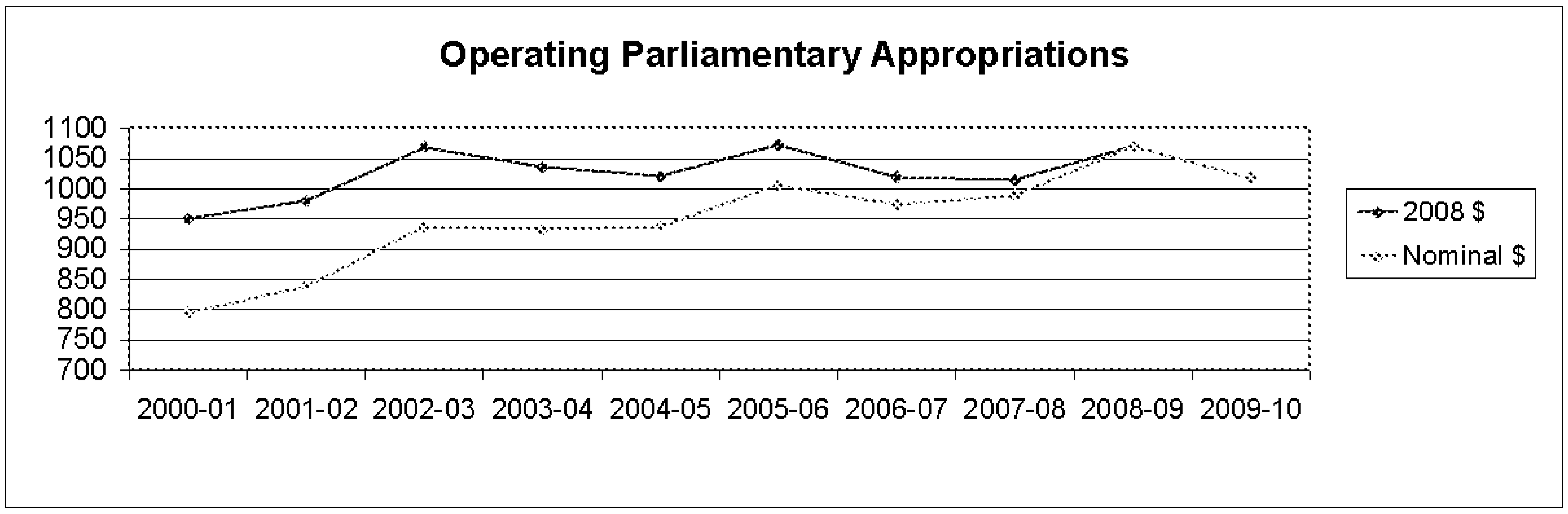
The review and analysis of CBC/Radio-Canada's financial results for the nine months ended December 31, 2009 and 2008 is presented on both a budget basis and in accordance with GAAP.

This report presents and analyses segmented results of operations for the nine months ended December 31, 2009, compared to the year-to-date budget, and to the year-to-date results for the same period in 2008/2009 on budget basis. Segmented results are presented for English and French media services and other operations. Year-end forecasts are also included in this monthly report.

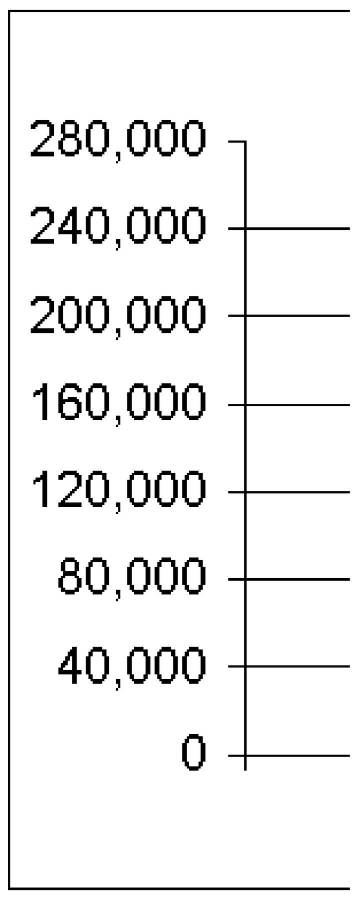
Financial statements prepared on a GAAP basis are presented for the period ended December 31, 2009 and compared with the results for the same period in 2008/2009. A reconciliation of GAAP results to the results on a budget basis is provided on page 13. Significant changes in Balance Sheet amounts between the periods are also explained on page 14.

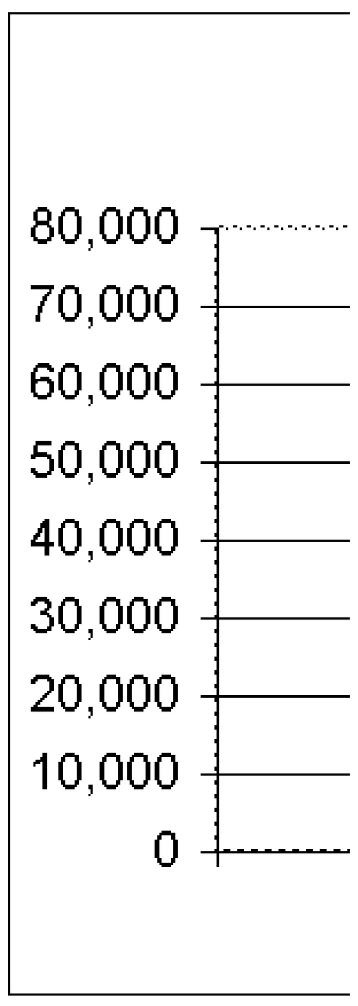
Monthly financial statements do not include revised estimates of employee future benefits, as actuarial valuations are prepared annually. The monthly financial statements are unaudited and do not include full note disclosure. They should be read in conjunction with the 2008/2009 audited consolidated financial statements, which provide full note disclosure in accordance with GAAP.

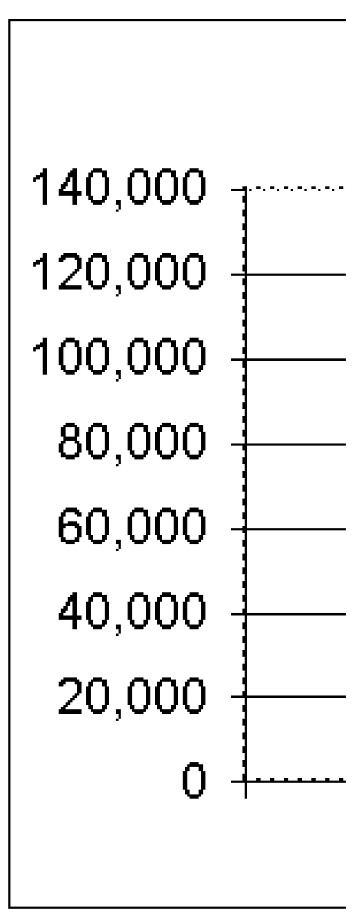
Financial Highlights for the third quarter ended December 31



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







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

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

Overview of 3rd quarter ended December 31, 2009
(in $000's)

	[illegible]			[illegible]			[illegible]	
	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								
Revenues								
Sale of Assets								
Local Programming Improvement Fund								
English Television								
French Television								
Local Programming Improvement Fund								
Commercial Revenues:								
English Television								
French Television								
Olympics								
Commercial Revenues								
Miscellaneous Revenues Regular Spec								
English Television								
French Television								
English Radio								
French Radio								
Olympics								
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 Television								
French Television								
English Radio								
French Radio								
Radio Canada International								
Olympics								
Others								
Expenditures								
Expenditures - Specialty Services:								
CBC News Network								
bold								
Réseau de l'information								
Galaxie								
Expenditures - Specialty Services								
APPLICATION OF FUNDS								
[illegible]								

s.68.1

A0023230_10-000606

s.68.1

s.18(a)

s.18(b)

s.18(a)

s.18(b)

Segmented Results

Consolidated English Services
For the 3rd quarter ended December 31
(in $000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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 Carryovers								
Sale of Assets								
Local Programming Improvement Fund								
Revenues								
English Television-Commercial								
English Television-Miscellaneous								
CBC News Network								
bold								
English Radio								
Revenues								
SOURCE OF FUNDS								
APPLICATION OF FUNDS								
English Television								
CBC News Network								
bold								
English Radio								
APPLICATION OF FUNDS								
NET POSITION								

s.68.1

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

s.18(a)

s.18(b)

Consolidated French Services
For the 3rd quarter ended December 31
(in $000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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 Carryovers								
Sale of Assets								
Local Programming Improvement Fund								
Revenues								
French Television-Commercial								
French Television-Miscellaneous								
Réseau de l'information								
French Radio								
Radio Canada International								
Revenues								
SOURCE OF FUNDS								
APPLICATION OF FUNDS								
French Television								
Réseau de l'information								
French Radio								
Radio Canada International								
APPLICATION OF FUNDS								
NET POSITION								

A0023230_14-000610

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

s.18(a)

s.18(b)

Other Services
For the 3rd quarter ended December 31
(in $000's)

	[illegible]			[illegible]			[illegible]	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance to 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 Division-External Rentals								
Merchandising Division								
Corporate Management and Support Services								
Revenues								
SOURCE OF FUNDS								
APPLICATION OF FUNDS								
CBC Technology								
CBC Transmission and Distribution								
Real Estate Division								
Mobile Division								
Mobile Division-Recoveries from medias								
Merchandising Division								
Corporate Management and Support Services								
APPLICATION OF FUNDS								
NET POSITION								

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

Reconciliation of Net Results of Operations to Budget Basis

The Corporation receives a significant portion of its funding through Parliamentary appropriations, based primarily on cash flow requirements. Expenses recognized 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:

	2009	2008
	(thousands of dollars)	
Net results for the period on a GAAP basis	**(83,165)**	**(57,469)**
Items not generating operating funds on a GAAP basis		
Amortisation of deferred capital funding	(92,074)	(85,303)
Loss on disposal of property and equipment	15	97
Net proceeds generated by the sale of receivables and the transfer of leases (budget basis vs. GAAP) - Ontrea	117,685	-
Net proceeds recognized – sale of Galaxie to Stingray (budget vs. GAAP)	(6,952)	-
Net proceeds generated by the sale of receivables - Stingray (budget vs. GAAP)	20,175	-
Parliamentary appropriation for working capital	(2,999)	(2,999)
Other	1,555	(2,771)
	37,405	**(90,976)**
Items not requiring operating funds		
Amortisation of property and equipment	92,074	85,303
Pension plans and other employee future benefits	13,000	14,230
Program inventory costs	(3,909)	(2,798)
Vacation pay	14,443	16,798
Other	1,428	1,236
	117,036	**114,769**
Net results of operations on a budget basis	**71,276**	**(33,676)**

A0023230_17-000613

Balance Sheet Analysis
(December 31, 2009 compared to December 31, 2008)

Assets

The increase of $226.6 million in cash and cash equivalents is explained as follows:

- The Corporation started the year with an opening cash balance $32 million lower than last year;
- Disbursements between April and December 2009 are lower by $145 million compared to the same period last year mainly due to a decrease in general payments,

s.68.1

- Cash inflows are higher by $114 million compared to the same period last year mainly due to the proceeds from the sale of notes receivable and sales-type leases (Ontrea and Stingray), partially offset by the advertising revenues decrease.

Accounts receivable are lower by $19.3 million in 2009 mainly due to lower cable revenues receivable due to the sale of Galaxie to Stingray, the payment of the short-term Stingray notes receivable in December 2009 and advertising sales from
included in December 2008. The decrease is partially offset by higher advertising revenues in the last quarter compared to the same period last year.

(For further details, refer to the Inventory Report on page 51).

The fair value of foreign currency forward contracts to cover the foreign offices operations is presented as derivative financial instruments (assets/liabilities).

The decrease of $73.4 million in long-term receivables is explained by the sale of the Ontrea notes receivable to the CBC Monetization Trust and the sale of the long-term Stingray notes receivable combined with the reclassification, from long-term to short-term, of the unsold portion of the Stingray notes receivable, for which the payment was received in December 2009.

The net investment in sales-type leases (short-tem and long-term) was eliminated since the Corporation entered into a concurrent lease agreement with the CBC Monetization Trust (trust). The trust prepaid its rent obligation in December 2009.

and the write-down of deferred charges relating to the early termination of the lease agreement with the International Academy of Merchandising and Design (Canada) Ltd.

Liabilities

The increase of $9.2 million in employee-related liabilities (short-term) is mainly explained by the timing of the payroll deduction payments and accruals for the remaining departure under the workforce reduction plan. The increase is partially offset by an accrual for STARF retroactive payments included in the 2008 results. The payments were made in 2009, following the renewal of the collective agreement.

The decrease of $7.6 million in deferred revenues (short-term) is explained by the transfer of the remaining BDU's contracts to Stingray involved in the Affiliate Agency Agreement and the Asset Purchase agreement, between CBC/Radio-Canada and Stingray Digital Group Inc. (Acquirer).

Deferred operating vote drawdown represents the difference between actual cash drawdown and appropriations required for planned net expenditures for the nine-month period ended December 31st.

The decrease of $34.3 million in deferred revenues (long-term) is mainly due to the Affiliate Agency Agreement and the Asset Purchase agreement between CBC/Radio-Canada and Stingray Digital Group Inc. (Acquirer). In the third quarter of 2009-2010, all the remaining BDU revenue contracts were assigned to the Acquirer. As a result, the associated deferred revenues were recorded in the statement of operations.

The increase of $13.0 million in employee-related liabilities (long-term) reflects the March 2010 preliminary actuarial estimates for pension plans and other employee future benefits.

Cash Flows and Financial Resources

Overview

As of December 2009, $87.5 million of cash and cash equivalents were generated from operations; $61.5 million from financing activities and $97.7 million from investing activities. Cash and cash equivalents were $279.9 million as at December 2009 compared to $53.4 million as at December 2008.

Operations

Cash flows generated from operations increased by $89.0 million compared to last year. The difference is explained by a decrease of $25.7 million in net results, combined with a $114.7 million improvement in the non-cash items and non-cash working capital balances.

Financing Activities

Government funding for capital expenditures represented $70.1 million as at December 2009 compared to $68.3 million in 2008. The repayment of bonds related to the Broadcast Centre in Toronto for the nine months ended December 31st was $8.6 million in 2009 and $8.0 million in 2008.

Investing Activities

The acquisition of property and equipment as at December 2009 was $56.5 million compared to $63.6 million in 2008. The $153.0 million proceeds from the sale of receivables and sales-type leases (Ontrea and Stingray) are presented as investing activities.

Unaudited

Consolidated Balance Sheet

As at December 31

(in $000's)

	2009	2008
ASSETS		
Current		
Cash and cash equivalents	279,936	53,356
Accounts receivable	158,651	177,912
Inventory	249,024	268,365
Prepaid expenses	47,191	50,105
Net investment in sales-type leases	-	2,041
Derivative financial instruments	143	3,697
	734,945	**555,476**
Long-term		
Property and equipment	953,423	984,722
Long-term receivables	10,535	83,971
Net investment in sales-type leases	-	61,222
Deferred charges	1,338	7,646
Long-term investments	6,565	6,701
	1,706,806	1,699,738
LIABILITIES		
Current		
Accounts payable and accrued liabilities	104,573	105,905
Employee-related liabilities	124,584	115,416
Bonds payable	13,229	12,679
Deferred revenues	804	8,369
Derivative financial instruments	171	-
Deferred operating vote drawdown	292,598	195,014
	535,959	**437,383**
Long-term		
Long-term investments	1,417	1,417
Deferred revenues	2,494	36,750
Employee-related liabilities	406,974	393,990
Bonds payable	309,179	318,412
Deferred capital funding	613,412	633,053
	1,333,476	**1,383,622**
Minority interest	**293**	**263**
EQUITY		
Retained earnings (deficit)	(162,922)	(121,530)
Accumulated other comprehensive income (loss)	-	-
	(162,922)	**(121,530)**
	1,706,806	1,699,738

Commitments and contingencies (notes 5 and 6)

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

Unaudited

Consolidated Statement of Operations

For the period ended December 31

(in $000's)

	2009	2008
Revenues		
Advertising	225,771	274,947
Specialty Services	105,018	110,197
Other income	72,010	69,401
Financing income	6,804	9,253
	409,603	**463,798**
Expenses		
Television and Radio services costs	1,002,427	1,073,199
Specialty Services	77,331	83,779
Amortisation of property and equipment	92,074	85,303
Transmission, distribution and collection	41,376	44,185
Corporate management	10,382	9,470
Payments to private stations	2,947	7,014
	1,226,537	**1,302,950**
Operating loss before Government funding, non-operating revenues, taxes and minority interest	**(816,934)**	**(839,152)**
Government funding		
Parliamentary appropriation for operating expenditures	608,703	697,522
Parliamentary appropriation for working capital	2,999	2,999
Amortisation of deferred capital funding	92,074	85,303
	703,776	**785,824**
Net results before non-operating revenues, taxes and minority interests	**(113,158)**	**(53,328)**
Non-operating revenues		
Gain on sale of receivables and sales-type leases	15,284	-
Galaxie non-operating revenues	14,621	(4,165)
	29,905	**(4,165)**
Net results before taxes and minority interests	**(83,253)**	**(57,493)**
Taxes and minority interests		
Recovery of income and large corporations taxes	101	-
Minority Interests	(13)	24
	88	**24**
Net results for the period	**(83,165)**	**(57,469)**

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

Unaudited

Consolidated Statement of Cash Flows

For the period ended December 31

(in $000's)

	2009	2008
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net results for the period	(83,165)	(57,469)
Items not involving cash:		
Loss on disposal of equipment	15	97
Gain on sale of receivables and sales-type leases	(15,284)	-
Change in fair value of financial instruments	4,587	(2,346)
Amortisation of property and equipment	92,074	85,303
Change in deferred charges	13,784	28
Amortisation of deferred capital funding	(92,074)	(85,303)
Change in deferred revenues [long-term]	(7,989)	(4,882)
Change in long-term receivables	(128)	8,981
Change in employee-related liabilities [current]	14,443	17,400
Change in employee-related liabilities [long-term]	13,000	14,230
Change in minority interest	13	(24)
Net change in non-cash working capital balances	148,255	22,554
	87,531	**(1,431)**
FINANCING ACTIVITIES		
Parliamentary appropriations :		
Capital funding	70,108	68,300
Repayment of bonds payable	(8,575)	(7,964)
	61,533	**60,336**
INVESTING ACTIVITIES		
Acquisition of property and equipment	(56,492)	(63,623)
Purchase of long-term investments	-	(2,015)
Recovery from salary advances	1,028	441
Capital recovery from notes receivable	1,193	1,112
Capital recovery from net investment in sales-type leases	1,264	1,179
Deferred charges	(2,608)	(1,111)
Proceeds from disposal of equipment	312	464
Proceeds from sale of receivables and sales-type leases	153,015	-
	97,712	**(63,553)**
Increase in cash and cash equivalents	**246,776**	**(4,648)**
Cash and cash equivalents, beginning of year	**33,160**	**58,004**
Cash and cash equivalents, end of period	**279,936**	**53,356**
Consist of:		
Cash	279,936	53,356
Cash equivalents	-	-
	279,936	**53,356**

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

Unaudited

Consolidated Statement of Comprehensive Income (Loss)

For the period ended December 31

(in $000's)

	2009	2008
Net results for the period	**(83,165)**	**(57,469)**
Other comprehensive income		
Net changes in cash flow hedges:		
Gain on derivatives designated as cash flow hedges (net of income tax of $0)	-	7,873
Total other comprehensive income	**-**	**7,873**
Total comprehensive income (loss) for the period	(83,165)	(49,596)

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

Unaudited

Consolidated Statement of Changes in Equity

For the period ended December 31

(in $000's)

	2009	2008
Retained earnings (deficit)		
Balance, beginning of the year	(79,757)	(64,061)
Net results for the period	(83,165)	(57,469)
Retained earnings (deficit), end of the period	**(162,922)**	**(121,530)**
Accumulated other comprehensive income (loss)		
Accumulated other comprehensive income (loss), beginning of the year	-	(7,873)
Other comprehensive income for the period	-	7,873
Accumulated other comprehensive income (loss), end of the period	**-**	**-**
Total equity	(162,922)	(121,530)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2009

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 property acquired by the Corporation is the property of Her Majesty.

As the national public broadcaster, CBC/Radio-Canada 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.

In accordance with section 85(1) of the *Financial Administration Act*, the Corporation is exempt from Divisions I to IV of Part X of this Act, except for sections 131 to 148 and 154.01, and is accountable for its affairs to Parliament through the Minister of Canadian Heritage and Official Languages.

CBC/Radio-Canada is a federal Crown corporation subject to federal corporate income tax by virtue of the *Income Tax Act* (Canada) and the Regulations thereto. CBC/Radio-Canada 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

These consolidated financial statements have been prepared in conformity 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.

3. ACCOUNTING CHANGES

In February 2008, the CICA issued Section 3064 Goodwill and Intangible Assets which provides guidance on the recognition, measurement, presentation, and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. The standard is effective for fiscal years beginning on or after October 1, 2008, and requires retrospective application to prior period financial statements. The impact of this new standard will be reflected in our consolidated financial statements as of March 31, 2010.

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 of 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 Corporation policy on currency risk requires to minimise currency risk to protect the value of foreign cash flows both committed and anticipated from the negative impact of exchange rates fluctuation. 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 short-term investments, long-term receivables and the bonds payable are subject to interest rate fluctuation since they bear a fixed interest rate. An increase or decrease in market rates will impact the fair value of these financial instruments.

The Corporation manages its interest rate risk by spreading the maturity dates of investments over the fiscal year.

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 and cash equivalents, investments, accounts receivable, long-term receivables, and forward exchange contracts.

The maximum exposure to credit risk of the Corporation at December 31, 2009, is the carrying value of these assets.

4.FINANCIAL INSTRUMENTS (continued)

(i) Cash and Cash Equivalents 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 remote. Cash equivalents are guaranteed by the Government of Canada.

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 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 provides 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 Corporation manages its exposure to derivative counterparty credit risk by contracting primarily with reputable financial institutions.

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 contract a line of credit or long-term debt.

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 nine-month period ended December 31, 2009, will result in future annual expenditures of approximately $203 million and a total of $1.140 billion over the next eight years.

6. CONTINGENCIES

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some demand large monetary damages or other relief and they could result in significant expenditures. Litigation is 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 the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. There were no significant changes in the Corporation's contingencies as of December 31, 2009 with respect to the information disclosed in the annual report for the year ended March 31, 2009.

Detailed Tables of Operations

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

s.68.1

Financial Management Report
Corporate Summary
For the third quarter ended December 31
($000's)

	2009-2010 Year-to-date			2009-2010 Annual Basis			2008-2009 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS								
Government Funding and Carryovers								
Expected Sale of Assets								
Local Programming Improvement Fund								
Commercial Revenues - Regular Operations								
Commercial Revenues - Olympics								
Total Commercial Revenues	-							
Miscellaneous Revenues - Regular Operations								
Miscellaneous Revenues - Olympics								
Total Miscellaneous Revenues	-							
Total Commercial and Miscellaneous Revenues	-							
TOTAL SOURCE OF FUNDS - MAIN SERVICE								
TOTAL SOURCE OF FUNDS - SPECIALTY SERVICES								
TOTAL SOURCE OF FUNDS FOR CBC								
APPLICATION OF FUNDS								
Expenditures - Regular Operations								
TOTAL APPLICATION OF FUNDS - MAIN SERVICE								
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES								
TOTAL APPLICATION OF FUNDS FOR CBC								
NET POSITION ON CBC'S OPERATIONS								

s.18(a)

s.18(b)

Financial Management Report
Source of Funds
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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 Carryovers								
Expected Sale of Assets								
Local Programming Improvement Fund								
English Television								
French Television								
Total for Local Programming Improvement Fund								
Commercial Revenues								
Commercial Revenues - Regular Operations:								
English Television								
French Television								
Total for Regular Operations								
Commercial Revenues - Olympics								
Beijing Olympics								
Total Olympics Revenues								
Total Commercial Revenues								
Miscellaneous Revenues								
Miscellaneous Revenues - Regular Operations:								
English Television								
French Television								
English Radio								
French Radio								
Sirius								
Mobile Division								
Merchandising Division								
Corporate Activities								
CBC Transmission and Distribution								
Real Estate Division								
Radio Canada International								
TBC land interest								
Total for Regular Operations								
Miscellaneous Revenues - Olympics								
Beijing Olympics								
Total for Olympics								
Total Miscellaneous Revenues								
Total Commercial and Miscellaneous Revenues								
TOTAL SOURCE OF FUNDS - MAIN SERVICE								
Specialty Services Revenues:								
CBC News Network								
bold								
Réseau de l'information								
Galaxie								
TOTAL SOURCE OF FUNDS - SPECIALTY SERVICES								
TOTAL SOURCE OF FUNDS FOR CBC								

s.18(a) s.68.1

s.18(b)

Financial Management Report
Application (use) of Funds
For the third quarter ended December 31
($000's)

	2009/2010 Year to date			2009/2010 Annual Basis			2008/2009 Year to date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
APPLICATION OF FUNDS								
Expenditures - Regular Operations:								
English Television								
French Television								
English Radio								
French Radio								
Mobile Division								
Ottawa Production Centre								
Merchandising Division								
Corporate Activities								
CBC Technologies								
CBC Transmission & Distribution								
Real Estate Division								
Radio Canada International								
Corporate Reserve	-							
Total Expenditures - Regular Operations	-							
Expenditures - Olympics:								
Beijing Olympics								
Total Expenditures - Olympics								
TOTAL APPLICATION OF FUNDS - MAIN SERVICE								
Expenditures - Specialty Services:								
CBC News Network								
bold								
Réseau de l'information								
Galaxie								
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES								
[illegible]								

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

CORPORATE SUMMARY - VARIANCE OVERVIEW
($000's)

	2009/2010 Actuals as at December 31			2009/2010 Forecast at March 31		
	Revenue Variances	Expenditure Variances	Net Variance	Revenue Variances	Expenditure Variances	Net Variance
Main Service:						
English Television						
French Television						
English Radio						
French Radio						
Mobile Division						
Ottawa Production Center						
Merchandising Division						
Corporate Activities						
CBC Technologies						
CBC Transmission and Distribution						
Real Estate Division						
RCI						
Total - Components						
TBC Land						
Sale of Assets						
Corporate Reserve						
Total - Corporate Reserve						
TOTAL - MAIN SERVICE						
Specialty Services:						
CBC News Network						
bold						
RDI						
Galaxie						
TOTAL - SPECIALTY SERVICES						
NET POSITION						

Note - negative variances are indicated by brackets

s.18(a)

s.18(b)

Financial Management Report
Consolidated English Services
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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								
Sale of Assets								
Local Programming Improvement Fund								
Revenues								
English Television - Commercial								
English Television - Miscellaneous								
CBC News Network								
bold								
English Radio - Miscellaneous								
Total Revenues								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
English Television								
CBC News Network								
bold								
English Radio								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

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

Financial Management Report
English Television
For the third quarter ended December 31
($000's)

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	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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								
Contribution from Specialty Services								
Sale of Assets								
Local Programming Improvement Fund								
Commercial Revenue - Television								
Commercial Revenue - Internet								
Commercial Revenue - Contra Agreements								
Miscellaneous Revenue								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
Costs related to Revenue-generating Services *								
Media Marketing and Sales								
Business Development								
CBC.ca								
Subtotal - Revenue-generating Services								
Programming and Production								
Sports								
Network Programming								
News and Current Affairs								
Communications								
Media Operations								
Regional Operations								
Network Reserve								
Subtotal - Programming and Production								
Technical								
Toronto Production Services								
News Production Services								
Affiliates								
Plant - Broadcast Services - Master Control								
Broadcast Engineering and IT Media support								
Subtotal - Technical								
General Administration								
Management								
Training								
Support Services (Network and Regional)								
Business Rights and Content Management								
Subtotal - General Administration								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

*Please note that other areas may also generate revenues. These are only the services whose main function is revenue-generation.

s.18(a)

s.18(b)

CBC News Network
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
Incremental Revenues								
Commercial Revenue								
Cable Subscriptions								
Total Incremental Revenues								
Incremental Costs								
Programming								
Production & Resources								
General & Administration								
Sales and Marketing								
Total Incremental Costs								
Excess of Revenues over Costs								
Repayment to the Main Service								
Excess Revenues/(Costs) before Contribution to English Services								
Contribution to English Services								
Excess Revenues/(Costs)								

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

Financial Management Report
English Radio
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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								
Miscellaneous Revenue								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
Costs related to Revenue-generating Services								
Entrepreneurial Activities								
Subtotal - Revenue-generating Services								
Programming and Production								
Arts & Entertainment								
Music Department								
Radio 3								
Sirius								
News & Current Affairs								
Network Services								
Production and Resources								
Network Reserves								
Regional Operations								
CBC North								
British Columbia								
Alberta-Calgary								
Alberta-Edmonton								
Saskatchewan								
Manitoba								
CBL-Toronto								
Ottawa								
Ontario								
Quebec								
Maritimes								
Newfoundland								
Subtotal - Regional Operations								
Subtotal - Programming and Production								
Technical								
Distribution								
Radio Production Centre								
Subtotal - Technical								
General Administration								
Management								
Subtotal - General Administration								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

Financial Management Report
Consolidated French Services
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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								
Sale of Assets								
Local Programming Improvement Fund								
<u>**Revenues**</u>								
French Television-Commercial								
French Television-Miscellaneous								
Réseau de l'information								
French Radio								
Radio Canada International								
Total Revenues								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
French Television								
Réseau de l'information								
French Radio								
Radio Canada International								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)

s.18(b)

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

Financial Management Report
French Television
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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								
Sale of Assets								
Local Programming Improvement Fund								
Commercial Revenue - Television								
Commercial Revenue - Internet								
Commercial Revenue - Contra Agreements								
Miscellaneous Revenue								
TOTAL SOURCE OF FUNDS	2							
APPLICATION OF FUNDS								
Costs related to Revenue-generating Services								
Marketing and Sales (incl. Internet)								
Commercial Production								
Program Sales to Other Broadcasters								
Production Services and Others								
Costs - Contra Agreements								
Subtotal - Revenue-generating Services								
Programming and Production								
Sports								
Arts & Entertainment								
News and Current Affairs								
Media Operations								
Internet and Digital Services								
Communications								
Regional Operations								
Network Reserve								
Subtotal - Programming and Production								
Technical								
Affiliates								
Plant - Production Services								
Plant - Broadcast Services - Master Control								
Broadcast Engineering and IT Media Support								
Subtotal - Technical								
General Administration								
Management								
Training								
Support Services (Network and Regional)								
Subtotal - General Administration								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

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s.18(a)

s.18(b)

Le Réseau de l'information
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
Incremental Revenues								
Commercial Revenue								
Cable Subscriptions								
Program Sales								
Others								
Prior Year Carryover								
Total Incremental Revenues								
Incremental Costs								
Programming								
Technical Services								
Sales & Marketing/Promotion								
Management and Services								
Total Incremental Costs								
Excess of Revenues over Costs								
Repayments to the Main Service								
Capital Expenditures								
Total Repayments to the Main Service								
Excess Revenues/(Costs)								

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

Financial Management Report
French Radio
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 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								
Miscellaneous Revenue								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
Programming and Production								
Première Chaîne Programs								
Espace Musique								
Sirius								
Information Programming								
Network Reserve								
Regional Operations								
Programming Management								
Atlantic								
Quebec								
Ontario/ Outaouais								
West								
Subtotal - Regional Operations								
Subtotal - Programming and Production								
Technical								
Production Services								
Subtotal - Technical								
General Administration								
Management								
Subtotal - General Administration								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

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Financial Management Report
Corporate Activities
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 Year-to-date	
	Budget	**Actuals**	**Variance to Budget**	**Budget**	**Forecast**	**Variance**	**Actuals**	**Variance in Actuals**
SOURCES OF FUNDS								
Net Parliamentary Subsidy		61,925					53,763	8,162
Prior Year Carryover		3,073					4,589	(1,516)
Miscellaneous Revenues								
Strategy and Business Partnerships		594					1,300	(706)
General Counsel		4,185					3,254	931
Interest and Capital Recoveries		2,712					5,906	(3,194)
Shared Services		0					3	(3)
Total Miscellaneous Revenues		7,491					10,463	(2,972)
TOTAL SOURCE OF FUNDS		**72,489**					**68,815**	**3,674**
APPLICATION OF FUNDS								
Office of the President and CEO		1,004					1,646	642
Office of the Chairperson and Board of Directors		378					382	4
Branding, Communications and Corporate Affairs		3,384					3,828	444
Internal Audit		914					1,196	282
Priorities and Implementation		493					0	(493)
Training and Development		2,188					2,770	582
People and Culture		11,615					10,167	(1,448)
Severance Pay and Other Personnel Costs		5,252					8,866	3,614
Dental Plan, EAP and Crisis Management		3,161					2,902	(259)
Content Management		4,194					4,174	(20)
Regulatory Affairs		1,071					975	(96)
Strategy and Business Partnerships		5,170					4,923	(247)
General Counsel and Corporate Secretariat		5,379					5,073	(306)
Corporate Finance and Administration		7,184					6,311	(873)
Insurance, Corporate Forms, Taxes, etc.		1,736					430	(1,306)
Shared Services		8,066					7,949	(117)
International Relations		54					55	1
Ombudsman - Toronto		226					234	8
Ombudsman - Montreal		231					258	27
Corporate New Media		630					1,087	457
TOTAL APPLICATION OF FUNDS		**62,330**					**63,226**	**896**
NET POSITION		**10,159**					**5,589**	**4,570**

s.18(a)

s.18(b)

s.18(a)

s.18(b)

Merchandising Division
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
SOURCE OF FUNDS								
Prior Year Carryover								
Sales of Products:								
Retail Operations								
Distribution								
Educational								
Licensing								
TOTAL SOURCE OF FUNDS								
APPLICATION OF FUNDS								
Administration								
Sales of Products:								
Retail Operations								
Warehouse Operations								
Distribution								
Educational								
Licensing								
Sub-total Application of Funds								
Reduction Required to Offset Previous Year's Deficit								
Inventory Write-Off								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)

s.18(b)

Financial Management Report
Mobile Division
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 Year-to-date	
	Budget	**Actuals**	**Variance to Budget**	**Budget**	**Forecast**	**Variance to Budget**	**Actuals**	**Variance in Actuals**
REVENUES/ FUNDING								
Revenues:								
Revenues from External Mobile Rentals								
Internal Chargebacks from Media for Planned Internal Usage								
Total Revenues								
Other Sources/Reductions of Funds:								
Funding Received from Media for EIC's								
Prior Year Carryover								
Total - Other Sources/Reductions of Funds:								
TOTAL FUNDING AVAILABLE								
EXPENDITURES								
Direct Costs Relating to External Mobile Rentals								
General Management								
General Operations								
Total Expenditures								
OPERATING RESULTS BEFORE TRANSFERS TO MEDIA FOR PLANNED USAGE								
Funding Given to Media for Planned Internal Usage								
NET POSITION								

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s.18(a)

s.18(b)

Galaxie
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
($000's)

	2009/2010 Year-to-date			2009/2010 Annual Basis			2008/2009 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance to Budget	Actuals	Variance in Actuals
Incremental Revenues								
Satellite								
Cable								
Music for Business								
Internet								
Other								
Total Incremental Revenues								
Incremental Costs								
Rights								
Internet								
Administration								
Programming								
Distribution								
Marketing								
Rising Star Program								
Total Incremental Costs								
Excess Revenues/(Costs)								

Impact of Agreement with Stingray Digital Grou	
Stingray Affiliate Agreement	
Max Trax Deal	
Overhead / Additionnal Revenues	
Satellite/Cable Revenue - CBC/Galaxie	
Stingray Agency Fee	
Write-offs, Legal Fees, etc.	
Excess Revenues/(Costs) - Stingray Agreement	
Excess Revenues/(Costs) - Including Stingray Digital Group Inc Agreement	

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Capital

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Capital

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

2009/2010 Capital Budget Overview as at December 31, 2009
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					
Impact of approved plan being higher than available capital (1)					
Total Surplus/(Deficit) Forecast (2)					

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)					
Broadcast & Telecom Networks (BTN)					
Transmission Division (T&D)					
Human Resources (HR)					
Corporate Components					
Fleet Management					
Mobile Division					
Minor Capital					
Enterprise Wide (EW):					
Vision					
Vision post go live project					
Vancouver Redevelopment					
Newsroom System Project - iNews					
Desktop Radio - Permanent Solution					
Other					
Impact of approved plan being higher than available capital (1)	*12%*				
TOTAL SURPLUS/(DEFICIT) FORECAST (2)					
% of Available Capital		*101%*	*-1%*	*52%*	

* includes repayment of bonds payable for TBC lease

s.18(a)

s.18(b)

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2009/2010 Capital Budget Overview as at December 31, 2009 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

s.18(a)

s.18(b)

2009/2010 Capital Budget Overview as at December 31, 2009 - Notes

Note 9

Note 10

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

s.18(a)

s.18(b)

2009/2010 to 2011/2012 CAPITAL INVESTMENT PLAN
Board of Directors Approved Projects > $5 million (in 000's)
Forecasted Expenditures to Project Completion

PROJECTS APPROVED								
Project	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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2009/2010 to 2011/2012 CAPITAL INVESTMENT PLAN
Board of Directors Approved Projects > $5 million - Notes
Forecasted Expenditures to Project Completion

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

Note 1

Note 2

Note 3

Note 4

Note 5

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2009/2010 to 2011/2012 CAPITAL INVESTMENT PLAN
Board of Directors Approved Projects > $5 million - Notes
Forecasted Expenditures to Project Completion

Note 6

Note 7

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

Board approved projects with forecasted deficits
as at December 31, 2009

('000$)

Projects	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total ≤ $2.0M				0		-		

-1 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.

-2 As of December 31, 2009, there are no projects with deficits that exceed the total budget approved by resolution of the Board of Directors.

Balance Sheet Details

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Cash and Cash Equivalents
as at December 31
(in $000's)

s.68.1

The Corporation started the year with an opening cash balance $32 million lower than last year. The cash inflows for the period between April to December 2009 are higher by $114 million compared to the same period last year mainly due to the proceeds from the sale of notes receivable and sales-type leases (Ontrea and Stingray), partially offset by the advertising revenues decrease.

The disbursements between April and December 2009 are lower by $145 million compared to the same period last year mainly due

	2009	2008	Increase / (Decrease) Amount	Percent
Canadian and US Bank Accounts	278,626	51,576	227,050	440%
Foreign Bank Accounts	(43)	868	(911)	(105%)
Petty Cash, Production and Foreign Office Funds	1,412	1,289	123	10%
Foreign Exchange adjustments	(59)	(377)	318	(84%)
TOTAL	279,936	53,356	226,580	425%

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

Accounts Receivable
as at December 31
(millions of $)

	2009		2008		Variance
Advertising					
Current (accruals)	26.6%	30.6	24.5%	27.8	2.8
1-30 days	38.5%	44.3	34.2%	38.8	5.5
31-60 days	24.2%	27.9	25.0%	28.3	(0.4)
61-90 days	7.0%	8.0	6.3%	7.1	0.9
91+ days	3.7%	4.3	10.0%	11.3	(7.0) [1]
Total	**100.0%**	**115.1**	**100.0%**	**113.3**	**1.8**
Non-advertising		**43.6**		**64.6**	**(21.0)**
TOTAL - ACCOUNTS RECEIVABLE		158.7		177.9	(19.2)

s.18(a)

s.18(b)

Inventory Report
as at December 31
(in $000's)

COMPONENTS	2009	2008	Variance
English Television *			
French Television *			
Indirect Costs Allocation **			
Merchandising			
Documentary Channel			
TOTAL	249,024	268,365	(19,341)

* See below for detail by program category

** Overhead expenses applicable to programs in inventory

Inventory Report - Programming Inventory by Category
as at December 31
(in $000's)

	2009	2008	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 PROGRAM INVENTORY			
French Television			
Procured programs and films rights			
Current affairs and documentaries			
Drama			
Arts & Entertainment			
Sports			
TOTAL - FRENCH TELEVISION PROGRAM INVENTORY			

Note 1:

Note 2:

s.68.1

Note 3:

A0023230_61-000657

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Schedule A

Board of Directors
(March 16-17, 2010)

Subject matter

Annual Report 2009-2010 Update: Production and Content Notes, and a Brief Schedule for Providing the Board of Directors with Documents Produced by Corporate Communications

Background

In November 2009, Corporate Communications provided the Board with a proposal concerning the content and direction for the 2009-2010 Annual Report. Work has furthered on the design, printing and production schedule for the Annual Report.

Information on the matter

Please see attached.

For decision ☐ **For information** ☒

Prepared by

Name: Martine Ménard
Date: February 24, 2010

Recommendation

That Corporate Communications proceed with the production of the 2009-2010 Annual Report as proposed here, including the content as described to the Board in November 2009, as well as the professional, toned-down design, lesser number of printed hardcopies, less-expensive printing method, and additional, stand-alone President's Message as now proposed.

Last discussed at the Board

Date: November 2009
Decision made: Proceed with the Annual Report as proposed in November 2009.

Next steps

Proceed with the production of the 2009-2010 Annual Report. Provide the Board with key documents of the Report prepared by Corporate Communications in May 2010, and all documents of the front section of the Report in June 2010 as we ready the Annual Report for submission to the Minister of Canadian Heritage on June 30, 2010.

Annual Report 2009-2010 Update
Production and Content, and a Brief Schedule for Providing the Board of Directors with Annual Report Documents

Design: In keeping with the Corporation's current messaging about its fiscal health, Corporate Communications will produce an Annual Report with a professional, yet discreet, toned-down design this year, incorporating a smaller number of colour photographs than in previous years, and employing a simpler approach and duotones within the body of the Report.

Printing: Also in keeping with the Corporation's current messaging about its fiscal health, and in order to trim production costs, Corporate Communications will reduce the number of printed hardcopies of the Annual Report this year, and will use a less-expensive printing process, as well.

Annual Report Content: The content of the Annual Report will remain the same as that proposed to the Board in November, and will appear in both the hardcopy and online versions.

A New Stand-alone President's Message: In addition to producing the Annual Report, Corporate Communications intends to publish and disseminate an updated, stand-alone President's Message near the date of Annual Report tabling by the Government (often September) that would invite readers to view the whole Report online. The short booklet will be available for other purposes throughout the year as well. Each publication (hardcopy, online and stand-alone) will carry a green message.

There are strategic advantages to introducing a stand-alone President's Message.
1) Focus on the Message: while a small, targeted group of stakeholders and decision-makers will still receive the complete Annual Report, a larger group will receive this booklet only. In replacing the usual invitation letter to the latter group, we expect to draw additional focus to the challenges and directions of the Corporation — a focus that we consider crucial, given evidence from online readers that this section of the Annual Report receives less attention than does the financial section. With detailed context, delivered via the President's Message each year, readers will have the tools to comprehend the reality of the Corporation and perhaps better support the national public broadcaster. Also, if required, we will be able to update the messaging to cover events since the end of the fiscal year.
2) Costs: with the existence of the inexpensively produced President's Message, we will substantially reduce the print run of complete Annual Reports this year, thereby saving on printing expenditures. We have steadily reduced the number of hardcopies printed over the years, and expect to reduce last year's quantity of 1,300 to approximately 300 for 2009-2010.

Schedule for Providing the Board of Directors with Annual Report Documents: A number of significant decisions that are pending in the next few months (value-for-signal, strategic review, etc.) need to be addressed effectively in the Annual Report. Given this schedule, Corporate Communications will provide the Board with the President's & Chair's Messages and certain other draft sections of the Report at its May meeting. By that date, Corporate Communications will have clear, honed communications messages about these decisions.

Schedule A

Board of Directors

March 16-17, 2010

Subject matter

Review of 2009-2010 Key Risks

Background

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. The most recent such update was provided at the last Audit Committee meeting on November 12, 2009 and to the November 19-20, 2009 Board meeting for information. Modifications made to the first three columns of the report since the last update are in blue font.

Information on the matter

See attached document.

For decision ☐ **For information** ■

Prepared by

Name:	Suzanne Morris/Michael Mooney
date:	March 10, 2010

Management recommendation

N/A

Last discussed at the Board

Date:	November 19-20, 2009
Decision made:	N/A

Next steps

Present next quarterly update on CBC/Radio-Canada's key risks at the May 2010 Audit Committee and Board meetings.

CBC Radio-Canada

Review of 2009/2010 Key Risks

Presentation to the
CBC/Radio-Canada
Board of Directors

Suzanne Morris/Michael Mooney
March 16-17, 2010

CONFIDENTIAL

A0023234_2-000662

Introduction

- This report provides the status of the 2009/2010 Key Risks that were presented to the Audit Committee on March 11, 2009 and to the full Board of Directors on March 16-17, 2009. Updates have been provided to the Audit Committee on a quarterly basis and to the Board of Directors as an information item.

- This report is an extract from the Annual Risk Management Report presented to the Audit Committee on March 10, 2010.

- The report on 2010/2011 key risks is included in the 2010/2011 Operating and Capital Budgets presentation.

2009/2010 Key Risks Ranking

New Rank	Key Risk	2009/10 Impact	2009/10 Likelihood	2009/10 Risk Score	2008/09 Risk Score	
1						*moved in Nov 2009*
2						*added in May 2009*
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						*added in Sept 2009*
14						
15						
16						
17						
18						

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

LEGEND

Risk Trend: Decreasing Stable Increasing • No change to status

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

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

s.68.1

Review of 2009/2010 Key Risks

s.68.1

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

s.21(1)(b)

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

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

s.68.1

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

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

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

s.68.1

s.68.1

s.68.1

s.21(1)(b)

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

s.68.1

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

s.68.1

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

s.21(1)(b)
s.21(1)(d)

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

Review of 2009/2010 Key Risks

Risks	Strategies Identified	Components Responsible to Manage Risk	Status Update as at December 31, 2009	Risk Trend

s.21(1)(b)
s.21(1)(d)

373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
MONTREAL, QUEBEC
January 19, 2010

Mr. Timothy W. Casgrain	Chair
Mr. Hubert T. Lacroix	President and CEO
Ms. Linda Black	
Mr. Peter Charbonneau	
Mr. George Cooper	
Mr. Peter Herrndorf	
Ms. Patricia McIver	
Ms. Trina McQueen	
Mr. Brian Mitchell	
Mr. Rémi Racine	
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.

373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
MONTREAL, QUEBEC
January 19, 2010

The Chair called the meeting to order at 4:00 p.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 November 18 and 20, 2009 meeting be and are hereby approved with one amendment and the minutes of the conference call meeting of December 17, 2009 be and are hereby approved as presented.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters to report.

CHAIR'S REPORT

Mr. Casgrain provided a report on his activities since the November Board meeting, referencing a number of meetings and other events comprising his schedule. He added that his trip to the Vancouver facility at the beginning of December was a particular highlight, commenting that it is a terrific building and the results achieved are well worth the effort and funds expended to complete the renovation.

AUDIT COMMITTEE REPORT

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

Change to External Audit Team

John Rossetti, Assistant Auditor General, advised the Committee that Maurice Laplante had assumed Daniel Paquette's responsibilities for the CBC/Radio-Canada audit. Mr. Rossetti provided a brief summary of Mr. Laplante's extensive experience with the OAG for the Committee's benefit.

CFO Report
Suzanne Morris presented her report to the Committee highlighting the following: (i) highlights of operating results as at November 30, 2009; (ii) recent economic highlights; (iii) Ontrea transaction; and (iv) Boston Pizza and Disney Canada leases.

Change to Internal Audit Team

The Committee was informed that internal audit leadership responsibilities would transition from Michel Maisonneuve to Neil Brown, with Charles Perron of the Deloitte Ottawa office joining Mr. Brown in the role of the lead service partner. Mr. Perron is the firm's practice leader in federal government services and is extremely knowledgeable regarding the central agencies of government and the challenges facing Crown Corporations.

Audit Committee Terms of Reference
As a consequence of changes to the Terms of Reference for the Real Estate Committee, a minor modification was proposed to one section of the Audit Committee Terms of Reference to ensure that there is no confusion or overlap of the two mandates. A corresponding change was also proposed to the Audit Committee checklist to reflect the new wording. The Committee recommended approval of the changes and the Board accepted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee the Board of Directors hereby approves the changes to the Audit Committee Terms of Reference as presented in the document, a copy of which shall remain filed with the original of these minutes as Exhibit A.

MOTION CARRIED

IFRS Conversion Project Update
The Committee received a comprehensive update on the status of the project, including a review of all accounting policy and disclosure decisions made to date, and a summary of the key issues remaining to be addressed. Management confirmed that the project is progressing on schedule.

<u>NOMINATING AND GOVERNANCE COMMITTEE REPORT</u>

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

2010 Director Training Plan
The Committee considered a proposal for the 2010 Director Training Plan and after discussion recommended approval by the Board. A copy of the proposal was distributed at the Board meeting and was approved by the Board.

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 2010 Director Training Plan as presented.

MOTION CARRIED

Conflict of Interest Disclosure
The Corporate Secretary reported to the Committee confirming that (i) declarations of disclosure have been received from all new Board members, (ii) the annual declarations are up-to date for all continuing Board members, (iii) the process is monitored on an on-going basis and (iv) she is not aware of any problems with it.

All Board members were reminded of their obligation to advise the Corporate Secretary immediately should there be any change in circumstances affecting their annual declaration of disclosure.

<u>HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT</u>

Katya Laviolette, Vice-President, People and Culture and Audrey O'Connell, Mercer Consulting, joined the meeting.

Edna Turpin, Chair of the Committee, requested that Ms. Laviolette present the report.

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

American Federation of Musicians of the United States and Canada Negotiating Mandate
Ms. Laviolette outlined for the Board the circumstances surrounding the up-coming negotiations with the American Federation of Musicians of the United States and Canada (A F of M),

The Committee recommended approval of the negotiating mandate as presented, and after discussion, the Board accepted the Committee's view.

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 American Federation of Musicians of the United States and Canada (A F of M) Negotiating Mandate as presented.

MOTION CARRIED

Approval of Reserve Payment – Horizon Plan

On a motion duly moved and seconded

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

MOTION CARRIED

Approval of Final Payout Budget – Horizon Plan

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 Horizon Plan payout budget (at target) for the 2009/2010 performance year, (to be paid out June 10, 2010.

MOTION CARRIED

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:
>
> (i)
>
> (ii)

MOTION CARRIED

Update on CBC/Radio-Canada Journalists in Haiti
Ms. Laviolette provided a brief update on the situation with respect to CBC/Radio-Canada journalists in Haiti, outlining the number of journalists involved, and the security and other precautions in place. She also described other efforts by the Corporation to provide assistance, including initiatives being pursued jointly with other broadcasters.

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

Ms. Laviolette and Ms. O'Connell withdrew from the meeting.

STRATEGIC PLANNING COMMITTEE REPORT

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

Update on Strategic Planning Process
The Committee received an update on this initiative, including a review of the progress since November, the overall plan and associated timeline, the nature and extent of the consultation process, and the communications campaign planned. Regular updates will be provided to the Committee as this project advances.

REAL ESTATE COMMITTEE REPORT

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

Terms of Reference
Certain changes were proposed to the Committee's Terms of Reference to reflect a reduction in the size of the Committee (formerly the Special Committee on Real Estate Projects) and to amend its mandate to fulfill the Board's current needs. After discussion, the Committee recommended approval of the revised Terms of Reference. The Board accepted 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 revised Terms of Reference for the Committee as presented.

MOTION CARRIED

Leasing Opportunity – The Walt Disney Company Canada, Ltd.
Management presented a leasing opportunity for below grade space in the Toronto Broadcast Centre as a further step forward in the plan for the revitalization of that facility. After consideration, the Committee recommended approval of the transaction. Material outlining key aspects of the transaction and the related business case was circulated to the Board. The Board accepted the Committee's recommendation.

On a motion duly moved and seconded

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

> **IT IS RESOLVED THAT** on the recommendation of the Real Estate Committee the Board of Directors hereby approves an agreement with The Walt Disney Company Canada, Ltd. for the lease of space in the Toronto Broadcast Centre for a term of 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

Update on Halifax Project
The Committee was briefed on the project for the integration of the Corporation's radio and television facilities in Halifax. Ms. Bertrand outlined the current issues, referenced the expected timeframe for completion and indicated that management was completing its preliminary evaluation of the various options and would bring forward its recommendation within the next few months.

APPROVAL OF CORPORATE PLAN

The President and CEO referred to the draft Corporate Plan document circulated to all Board members in advance of the meeting, noting the requirement that it be filed by January 31st . He invited Directors to provide their comments for consideration over the next few days as the document is finalized. The Board inquired as to the requisite degree of detail for the document and agreed to approve the draft document subject to further revisions as required.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** the Corporate Plan be and is hereby approved as presented, subject to revision as necessary to reflect further input received.

MOTION CARRIED

RECOGNITION OF BOARD MEMBERS

The Chair noted that the terms of two Board members, Peter Herrndorf and Trina McQueen, were expiring before the next regular meeting of the Board. Both personally and on behalf of the Board, he expressed his sincere appreciation for their commitment and dedication to the work of the Board. He emphasized that their extensive knowledge of both the industry and CBC/Radio-Canada had enhanced the Board's discussion and debate on key issues and he thanked them for their valuable contribution to the Board. He then proposed the following formal motions to recognize their service to the Corporation.

On a motion duly moved and seconded,

> **WHEREAS** Peter Herrndorf has served as a dedicated Board member and Chair of the Nominating and Governance Committee throughout his term,
>
> **AND WHEREAS** the Board wishes to recognize Peter Herrndorf for his personal and professional contribution to the success and well-being of the public broadcaster, and for his strong leadership, as Chair of the Nominating and Governance Committee,
>
> **IT IS RESOLVED THAT** the Board of Directors expresses its appreciation and admiration to Peter Herrndorf for his dedication and his leadership in guiding and promoting CBC/Radio-Canada, its mission and its mandate.

MOTION CARRIED

On a motion duly moved and seconded,

WHEREAS Trina McQueen has served as a dedicated Board member throughout her term,

AND WHEREAS the Board wishes to recognize Trina McQueen for her personal and professional contribution to the success and well-being of the public broadcaster,

IT IS RESOLVED THAT the Board of Directors expresses its appreciation and admiration to Trina McQueen for her dedication and her leadership in guiding and promoting CBC/Radio-Canada, its mission and its mandate.

MOTION CARRIED

<u>CONCLUDE</u>

Having no further business to discuss, the meeting concluded at 7:00 p.m.

Board of Directors
March 16-17, 2010

Subject matter

2010-2011 Operating and Capital Budgets

Background

The Board approved the 2010-2011 Corporate Priorities at the January 19, 2010 meeting.

Information on the matter

Operating and capital budgets for 2010-2011 are hereby submitted for approval.

The presentation will focus on key highlights and provide Board members with an overview of financial pressures impacting the Corporation over the next few years and address how these will be managed.

For decision ☒ **For information** ☐

Prepared by

Name: Suzanne Morris, Richard Stursberg, Sylvain Lafrance
Date: March 11, 2010

Management recommendation

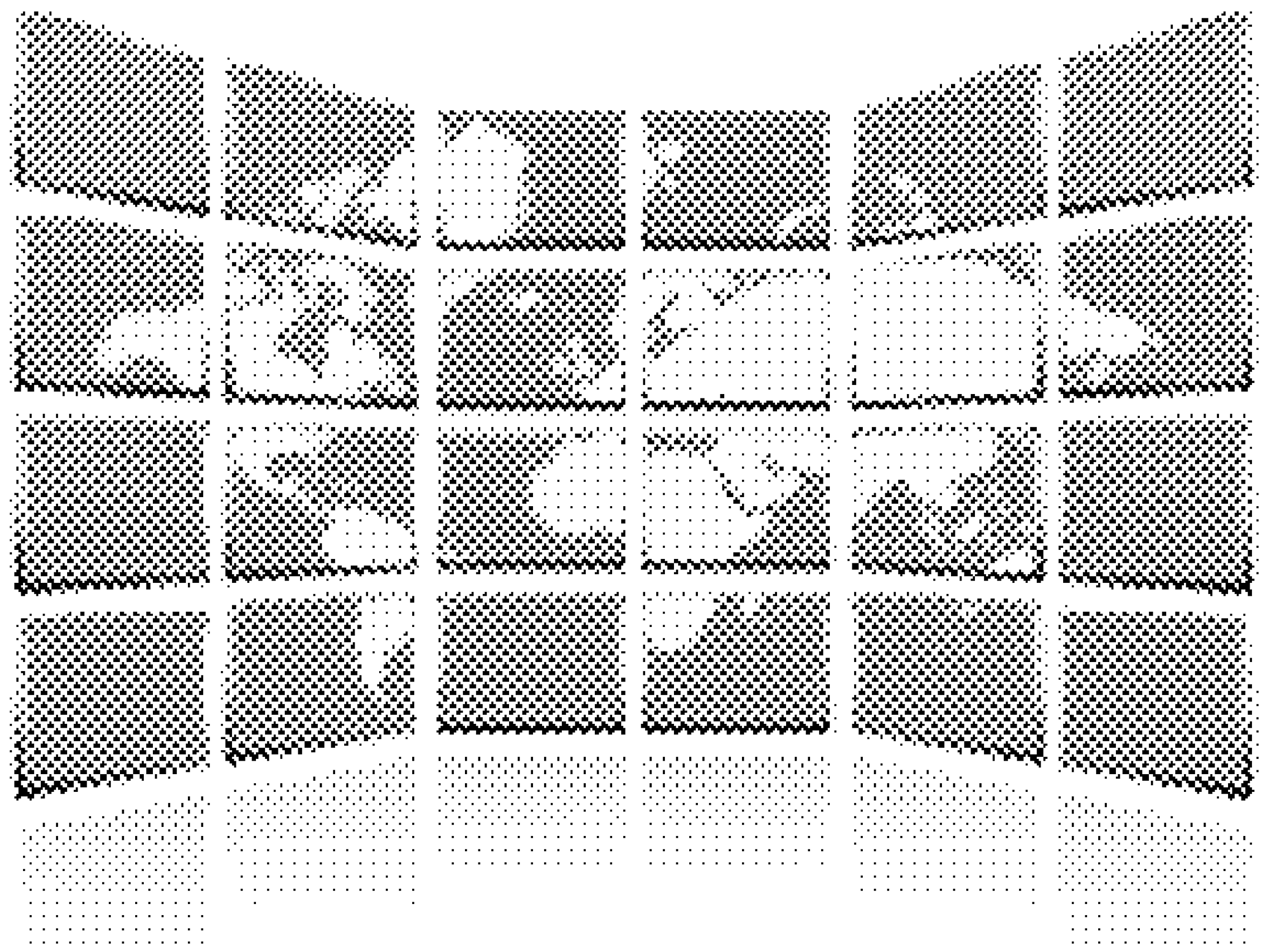
A resolution is provided in Appendix 'G' of the presentation.

Last discussed at the Board

Date:
Decision made: N/A

Next steps

2010-2011 Operating and Capital Budgets



March 16-17, 2010

Board of Directors Presentation

Ottawa

Confidential

Contents

Objective

- Seek approval of proposed 2010-2011 operating and capital budgets.
- Provide Directors with an overview of the financial pressures impacting the Corporation over the next few years and how they will be managed.

Introduction/Overview

The business plans and budgets for 2010-2011 have been prepared taking into account the following factors:

- We have successfully managed our way through the recent turmoil and implemented the first year of CBC/Radio-Canada's 2-year Board-approved recovery plan, which continues into 2010-2011 (further details are included on pages 6 and 7).
- We received favorable news regarding funding stability for 2010-2011 with respect to the Government's Strategic Review and the level of our appropriation. Our programs were identified by the Government as 'aligned with the priorities of Canadians'.
- At the same time, like other Crown Corporations, agencies and departments, CBC/Radio-Canada will not be receiving funding of 1.5% for salary increases for 2010-2011 and in each the following two years.

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

Introduction/Overview (cont'd)

s.20(1)(b)

- **The strategic planning initiative 'Driving Towards 2015' is underway**
  - The results of this initiative will drive the business model, plans and priorities into 2011-2012 and beyond.
  - They will also be the foundation for addressing the operating shortfalls that need to be managed through 2011-2012 and 2012-2013.
  - Where feasible, implementation will commence in 2010-2011.

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

2009-2010 Forecasted Year-end Position

2009-2010 Forecasted Year-end Position (cont'd)

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

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

Three-Year Financial Outlook

The next page presents an overview of the budget position over the next three years.

- These pressures will be managed through the following:

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

Financial Update – Overview

FINANCIAL OVERVIEW	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)
TOTAL SOURCES OF FUNDS before Carryover					
less: Salary funding reduction					
less: Galaxie revenue loss					
TOTAL SOURCES OF FUNDS before Carryover					
TOTAL APPLICATION OF FUNDS					
less: 2010-2011 Reduction to offset salary funding shortfall					
TOTAL APPLICATION OF FUNDS					
CURRENT NET POSITION for the year					
Shortfall which will be managed through strategic plan realignments: **					
- Salary funding shortfall in 2011-2012 and 2012-2013					
- Impact of Galaxie revenue loss					
- Remaining Cost Pressures					
NET POSITION AFTER REMAINING SHORTFALL IS MANAGED before Carryover					
Prior Year Carryover					
NET POSITION including Carryover					

* This assumes that salaries increase by 1.5%; actual collective agreement settlements could be lower or subject to legislation to freeze salaries (similar to Bill C-10).
** Exclusive of severance costs which will depend on specific initiatives taken to manage the shortfall.

Strategic Priorities

Strategic Priorities – Overview

CBC/Radio-Canada is currently undertaking a review of its strategic priorities *(Driving Towards 2015).*

Business plans for 2010-2011 have been prepared based on CBC/Radio-Canada's current strategic framework and priorities. These strategic priorities, shown in the following pages, will be revisited in the coming year.

Strategic Priorities – Overview (cont'd)

CBC/Radio-Canada's priorities focus on three key issues: people, because they are our key asset; on programs, because they are our core competency; and on pushing forward so we can adapt to challenges and exploit opportunities.

1	PEOPLE	Recruit, train, retain and engage a skilled workforce Reflect Canada's diversity within Build and continue improved relationships with the unions Communicate and engage our people
2	PROGRAMS	Continue to provide high-quality, distinctive Canadian content that informs, entertains, enlightens and reflects the Canadian experience on whatever platforms Canadians consume them Strengthen position in the regions, using a blend of platforms to deliver appropriate services Increase representation of the diversity of Canada's population and its regions in the content of our programs
3	PUSHING FORWARD	Build a sustainable economic model Enhance transparency through real time reporting Invest in the appropriate technologies and infrastructure to optimize reach

Strategic Initiatives – People

Recruit, Train, and Engage a Skilled Workforce

- Ensure the workforce is engaged and facilitate cultural change over time
- Implement talent management initiatives aligned to business and operational needs
- Foster leadership development and implement corporate-wide training initiatives

Reflect Canada's Diversity Within

- Develop and implement a long-term and sustainable diversity strategy

Relationships with the Unions

- Implement a long-term, integrated industrial relations strategy

Communicate and Engage Our People

- Align and inspire our people around a dynamic and inspirational definition of the Public Broadcaster

Strategic Initiatives – Programming

- High-Quality Distinctive Canadian Content
- Strengthen Position in the Regions
- Increase the representation of Canada's Diverse Communities

Programming initiatives are discussed in more details in the *Media Strategic Plans* section of this presentation

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

Strategic Initiatives – Pushing Forward

Build a Sustainable Economic Model

Enhance Transparency Through Real-time Reporting

Investments in the Appropriate Technologies and Infrastructure

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

Strategic Initiatives – Pushing Forward (cont'd)

Enterprise Risk Management

Enterprise Risk Management

- CBC/Radio-Canada's Risk Management Program is based on an enterprise-wide framework integrated into business processes and is a key element of the annual business planning framework. The responsibility for risk management is shared between CBC|Radio-Canada's Board of Directors, the Board's Audit Committee, Senior Management, Internal Audit, and operational units.
- Media and corporate components identified, evaluated and ranked risks and provided action plans to manage their key risks as part of the 2010-2011 Business Plan submissions. Risks were evaluated and ranked by components using a common set of evaluation criteria and risk definitions provided in the Business Plan Guidelines.
- The information was then compiled to develop the key corporate risks and action plans. In order to determine the final corporate ranking, the discussions which took place during 2 ½ days of business plan meetings held by the Senior Executive Team were considered.
- The ranking was determined by risk score, which is a function of the assessed risk's impact and likelihood of occurrence, each measured on a scale of 1 (low) to 5 (high). Risks assessed with a score below 12 continue to be reviewed and managed by components but are not reported on in detail at the Board level.
- Appendix B (page 71) highlights the Key Risks and Action Plans for 2010-2011. This was discussed at the Meeting of the Audit Committee on March 10, 2010 as was the latest quarterly report on risk management which is included in the information items material for this Board meeting.
- Quarterly updates on all 2010-2011 key risks will continue to be reported to the Audit Committee and included in the Board materials.

Media Strategic Plans

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

French Services
2010–2011 Strategic Priorities

Priorities	Action Plans

s.21(1)(b)

French Services
2010–2011 Strategic Priorities

s.18(b)
s.68.1

Priorities	Action Plans

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

French Services
2010–2011 Strategic Priorities

Priorities	Action Plans

s.21(1)(b)

A0023238_24-000715

French Services
2010–2011 New Initiatives

s.68.1

New Initiatives (as per Programming Strategy presented to the Board in January 2010)	

A0023238_25-000716

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

French Services
2010–2011 New Initiatives

New Initiatives (as per Programming Strategy presented to the Board in January 2010)	

French Services

s.68.1

2009–2010 Indicators

Indicators		Target	Results	
RADIO	Première Chaîne			
	Espace musique			
	Combined			
TELEVISION	Main network			
	Combined: Main network and RDI			
INTERNET	Radio-Canada.ca			

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

French Services
2009–2010 Indicators

Indicators		Target	Results Expected	
Revenue	Advertising (1)			
	Misc.			
	Total			
Number of subscribers	RDI			
	ARTV			
Costs (3)	Total			

(1
(2
(3

A0023238_28-000719

French Services
2010–2011 Targets

s.68.1

		2009–2010 Performance	2010–2011 Targets
RADIO	Première Chaîne		
	Espace musique		
	Combined		
TELEVISION	Main network		
	Combined: Main network and RDI		
INTERNET	Radio-Canada.ca		
	TOU.TV		

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

French Services
2010–2011 Targets

Indicators		2009–2010 Forecasts	2010–2011 Targets
Revenue	Advertising (1)		
	Misc.		
	Total		
Number of subscribers	RDI		
	ARTV		
Costs (2)	Total		

(1)
(2)

s.68.1

English Services
Strategic Plans – Content

Priorities	Plan

English Services
Strategic Plans – Content

s.68.1

Priorities	Plan

English Services
Strategic Plans – Content

s.68.1

Priorities	Plan

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

English Services
Strategic Plans – Business

Priorities	Plan

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

English Services
New Initiatives 2010-2011

New Initiatives (as per Programming Strategy presented to the Board in November 2009)	Radio	Television	New Platforms	Incremental Costs	Comments

A0023238_35-000726

s.68.1

English Services
Performance Indicators 2009-2010

Key Performance Indicators		*Target*	*Results*
Radio Share *	Radio One		
	Radio Two		
	Combined		
Television Share **	CBC Television		
New Platforms	News & Media Site (English) ^		
	Sports Destination ^		

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

English Services
Performance Indicators 2009-2010

Key Performance Indicators		Target	Forecast Full Yr -or- at Yr End	Change
Revenue ** (Conventional , Specialty & Online)	Advertising (all types)			
	Other Revenue *			
	Total Revenue			
Subscriber Count	CBC News Network			
	bold			
	Documentary			
Cost **	Total Cost **			

English Services

s.68.1

Proposed Performance Indicators 2010-2011

Key Performance Indicators		Results 2009-2010	Proposed 2010-2011
Radio Share *	Radio One		
	Radio Two		
	Combined		
Television Share **	CBC Television		
Specialty TV Share	CBC News Network		
New Platforms	News & Media Site ^		
	Sports Destination ^		
	Entertainment Destination ^		

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

English Services
Proposed Performance Indicators 2010-2011

Key Performance Indicators			Forecast 2009-2010	Proposed 2010-2011
Revenue ** (Conventional , Specialty & Online)	Advertising by type	*Main Channel*		
		CBC News Network		
		Other (Barter, Bold & Documentary Advert., etc.)		
	Advertising (all types)			
	Other Revenue *			
	Total Revenue			
Subscriber Count	CBC News Network			
	bold			
	Documentary			
Cost ** / ^^^	Total Cost			

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2010-2011 Operating Budget

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

2010-2011 Operating Budget
Key Assumptions Used

Government Funding:

- $60M in "one-time" funding was confirmed for 2010-2011 and is assumed to be received over the following two years. No salary inflation funding is received in 2010-2011, 2011-2012 and 2012-2013.

Commercial Revenues (excluding Internet):

Other Sources of Funds:

•

•

•

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

2010-2011 Operating Budget
Key Assumptions Used (cont'd)

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

2010-2011 Operating Budget
Corporate Summary

2009-2010 Annual Budget	2010-2011 Proposed Budget
2009-2010 Sources of Funds	
2009-2010 Application of Funds	

A0023238_44-000735

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

Financial Update –
Corporate Summary (at January 31, 2010)

Corporate Summary	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)
SOURCES OF FUNDS					
Parliamentary Appropriation					
Prior Year Carryover					
Local Programming Improvement Fund					
Sale of Assets					
Commercial Revenues					
Specialty Services Revenues					
Galaxie Revenues					
Sirius					
TBC land - interest					
Miscellaneous Revenues					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
English Services					
French Services					
Galaxie					
Media-Related Activities					
Support Activities					
Corporate Reserve					
TOTAL APPLICATION OF FUNDS					
NET POSITION					
Remaining Shortfall to be managed					
NET POSITION after Shortfalls are Managed					

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

2010-2011 Operating Budget
English Services

2009-2010 Annual Budget	2010-2011 Proposed Budget
2009-2010 Sources of Funds ('	
2009-2010 Application of Funds ('	

2010-2011 Operating Budget

ETV and Online: Revenues and Programming Costs by Genre

News and Current Affairs (including CBCNN)	
2009-2010 Budget	2010-2011 Proposed Budget

Sports	
2009-2010 Budget	2010-2011 Proposed Budget

Entertainment	
2009-2010 Budget	2010-2011 Proposed Budget

ial

s.68.1

Excludes contra revenues

Includes regional budgets

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

2010-2011 Operating Budget
English Services *

English Services	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)
SOURCES OF FUNDS					
Share of Parliamentary Appropriation					
Prior Year Carryover					
Local Programming Improvement Fund					
Sale of Assets					
Commercial Revenues					
Internet Revenues					
Value-added / Contra Revenues					
CBC News Network Revenues					
Bold Revenues					
Miscellaneous Revenues					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
English Television					
CBC News Network					
Bold					
English Radio					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

* **More detailed media budgets are provided in Appendix C (pages 92 to 101)**

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

2010-2011 Operating Budget
English Services Revenues

English Services

($000's)	2009-2010 Forecast	2010-2011 Proposed Budget	2011-2012 Forecast	2012-2013 Forecast
Revenues				
Commercial Revenues				
Internet Revenues				
Subtotal - Main Channel Ad Revenues				
Value-added/Contra Revenues				
CBC News Network Revenues				
Bold Revenues				
Miscellaneous Revenues				
Total Revenues				

Commercial Revenues

A0023238_50-000741

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

2010-2011 Operating Budget
English Services Revenues (Continued)

($000's)	2009-2010 Forecast	2010-2011 Proposed Budget	2011-2012 Forecast	2012-2013 Forecast
Revenues				
Commercial Revenues				
Internet Revenues				
Subtotal - Main Channel Ad Revenues				
Value-added/Contra Revenues				
CBC News Network Revenues				
Bold Revenues				
Miscellaneous Revenues				
Total Revenues				

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

2010-2011 Operating Budget
French Services

2009-2010 Annual Budget	2010-2011 Proposed Budget

2009-2010 Sources of Funds

2009-2010 Application of Funds

2010-2011 Operating Budget
French Television: Revenues and programming Costs by Genre

TV - News and Current Affairs (including RDI)

	2009-2010 Budget	2010-2011 Proposed Budget

TV - Sports

	2009-2010 Budget	2010-2011 Proposed Budget

TV – Arts and Entertainment

	2009-2010 Budget	2010-2011

s.68.1

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

2010-2011 Operating Budget
French Services *

French Services	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)
SOURCES OF FUNDS					
Share of Parliamentary Appropriation					
Prior Year Carryover					
Local Programming Improvement Fund					
Sale of Assets					
Commercial Revenues					
Internet Revenues					
Value-added / Contra Revenues					
Réseau de l'information					
Miscellaneous Revenues					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
French Television					
Réseau de l'information					
French Radio					
Radio Canada International					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

* **More detailed media budgets are provided in Appendix C (pages 92 to 101)**

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

2010-2011 Operating Budget
French Services Revenues

French Services	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)
Revenues				
Commercial Revenues				
Internet Revenues				
Value-added/Contra Revenues				
Réseau de l'information (RDI)				
Miscellaneous Revenues				
Total Revenues				

A0023238_55-000746

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

2010-2011 Operating Budget

Media-Related Activities

2009-2010 Annual Budget	2010-2011 Proposed Budget
2009-2010 Sources of Funds (	
2009-2010 Application of Funds ('	(

A0023238_56-000747

2010-2011 Operating Budget
Media-Related Activities

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

Media-Related Activities

	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)
SOURCES OF FUNDS					
Share of Parliamentary Appropriation					
Prior Year Carryover					
Miscellaneous Revenues:					
Real Estate Services					
Transmission and Distribution					
Merchandising Division					
Mobile Division					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
Real Estate Services					
Transmission and Distribution					
Media Technology Services (excluding Transmission and Distribution)					
Merchandising Division					
Mobile Division					
Ottawa Production Centre					
Content Management					
2009-2010 Digitial Archives Project					
Technology Strategy Board					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

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

2010-2011 Operating Budget
Support Activities

2009-2010 Annual Budget	2010-2011 Proposed Budget

2009-2010 Sources of Funds

2009-2010 Application of Funds (

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

2010-2011 Operating Budget
Support Activities

Support Activities

	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)	2011-2012 Forecast ($000's)	2012-2013 Forecast ($000's)	
SOURCES OF FUNDS						
Share of Parliamentary Appropriation						
Prior Year Carryover						
Miscellaneous Revenues:						
Interest Revenue and Capital Recoveries						
Canadian Retransmission Rights Association (CRRA)						
Strategy and Business Partnerships						
TOTAL SOURCES OF FUNDS						
APPLICATION OF FUNDS						
Office of the President and CEO						
Office of the Chairperson and Board of Directors						
Ombudsmen - English and French Services						
Priorities and Implementation						
Branding, Communications and Corporate Affairs						
Strategy and Business Partnerships						
Regulatory Affairs						
General Counsel, Corporate Secretariat and Compliance						
People and Culture						
Severance Pay and Other Personnel Costs						
Dental Plan, EAP and Crisis Management						*38,622*
Training and Development						
Shared Services						
Corporate Finance and Administration						
Insurance, Corporate Forms, Taxes, etc.						*15,358*
Internal Audit						
International Relations						
Information Technology						
TOTAL APPLICATION OF FUNDS						
NET POSITION						

s.18(a)

s.18(b)

2010-2011 Cash Flow
Indicative Forecast

	2010-2011 Actual / Forecast				
	Apr -Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Opening balance					
Inflows					
Appropriations received (1)					
Revenues (2)					
Outflows					
Expenditures (3)					
Ending balance	[redacted]				

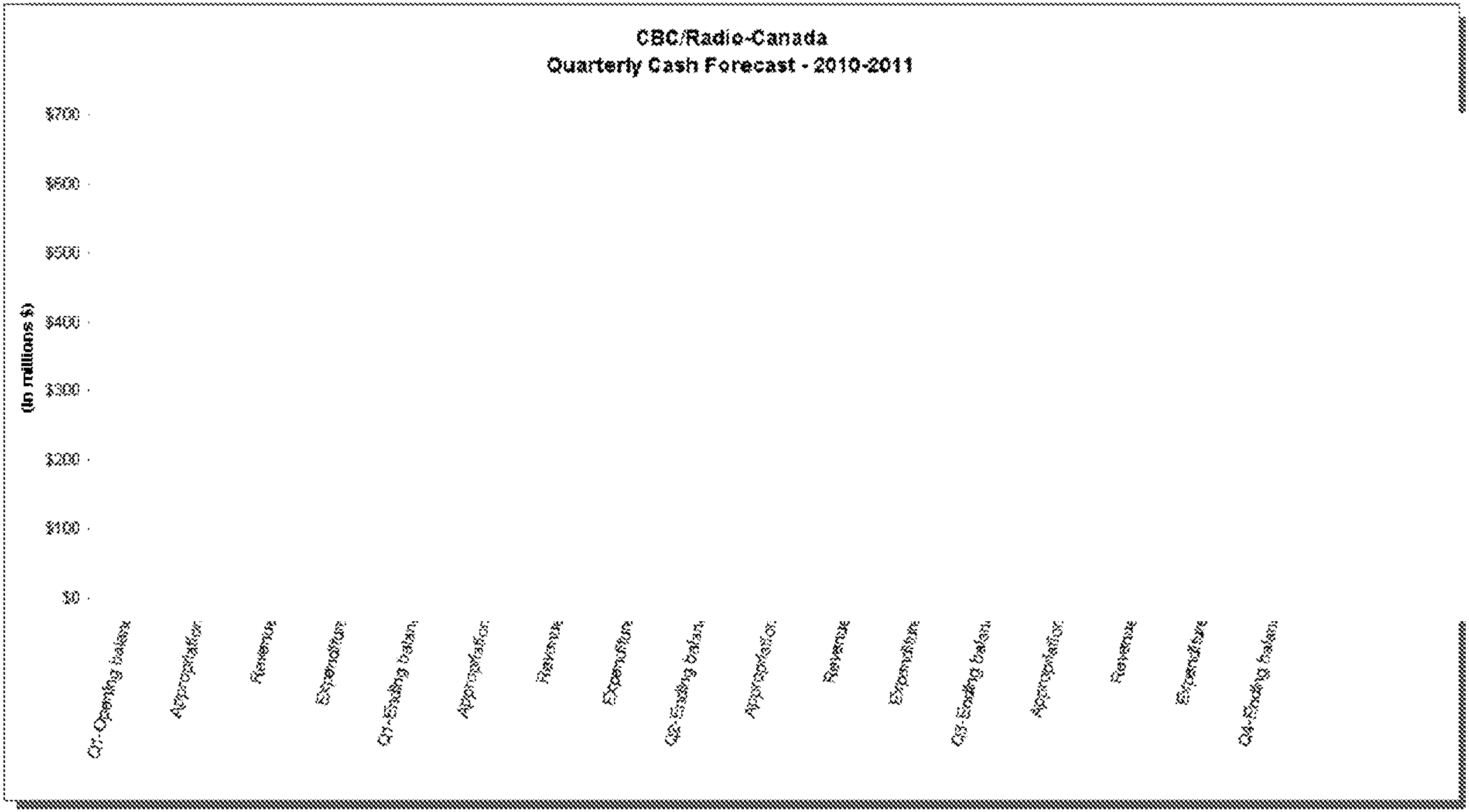
Note

Note

Note

2010-2011 Cash Flow
Indicative Forecast (cont'd)

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



Capital Budget

Capital Budget 2010-2011
Overview

- Balancing demands with less than adequate funding continues to be the challenge.
- We are in a period of convergence of pressures: technological change, large strategic initiatives, refresh of core business assets, aging infrastructure.
-
- Some progress made on short-term solutions to reduce pressure; work to develop a sustainable solution is underway.

s.21(1)(b)

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

Capital Budget 2010-2011
Key Messages

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

Capital Budget 2010-2011
Progress towards sustainable solution

	$M	
Revenue	Cost	Net

Capital Budget 2010-2011

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

Progress towards sustainable solution (cont'd)

- The Capital Executive Team (CET) has commissioned a project to determine a sustainable capital funding solution and a core team has been put together to do the work.

  - **Core Team:** includes sub-set of Technology Strategy Board (TSB), Capital Round Table (CRT) and Finance Triangle; project lead is Dany Harrison.

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

Capital Budget 2010-2011
Outstanding matters / Risks

-
-

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

Capital Budget 2010-2011
Current picture / 3-year overview

-
-
-

Capital Budget 2010-2011
Recommended Capital Budget

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

2010-11 TO 2012-13 CAPITAL INVESTMENT PLAN (in $000's)

	Budget 2010-2011	Forecast 2011-2012	Forecast 2012-2013	Total	% of 3-Year Plan
CAPITAL INVESTMENT PLAN [1]					
Production Infrastructure					
Enterprise Systems & Technology Infrastructure					
Presentation, Collection, Distribution & Delivery					
Property Management					
Fleet and Minor Capital Purchases					
Corporate Contingency					
TOTAL CAPITAL INVESTMENT PLAN					
AVAILABLE CAPITAL FUNDING					
Base Capital Appropriation					
Toronto Broadcast Centre Mortgage (capital portion)					
Operating Loans/(Repayments) [2]					
Affiliates Replacement Funding from operating reserve and other sources					
Specialty Services Repayments to capital					
Proceeds resulting from capital projects					
Funding for Disney and Boston Pizza projects					
Increase funding for Real Estate building projects					
French Services funding for regional investments (including Local Production Investment Fund - (LPIF))					
Other Minor Vote Transfers					
TOTAL AVAILABLE CAPITAL FUNDING					
SUB-TOTAL					
Delay factor from previous year [3]					
Cumulative budgetary surplus / (deficit) - delay factor [3]					
Planned delays in expenditures [5]					
To be resolved within the context of a sustainable capital solution					

A0023238_69-000760

Capital Budget 2010-2011

3-Year Available Capital

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

Capital Budget 2010-2011

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

3-Year Capital Investment Plan

- Key initiatives are summarized in Appendix E; pages 103 to 111
- Projects approved / to be approved by the Board (ie. > $5M) appear in Appendix F; page 113.

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Appendix A –
Comparison of Current 2009-2010 Forecast to 2009-2010 Opening Budget

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

2010-2011 Operating Budget
Comparison of Current 2009-2010 Forecast to Opening Budget

Summary	March 2009 Board Presentation ($ 000's)	January 2010 Forecast ($ 000's)	Variance ($ 000's)
Reserves and Other Services			
English Services			
French Services			
TOTAL			

Details	March 2009 Board Presentation ($ 000's)	January 2010 Forecast ($ 000's)	Variance ($ 000's)
Reserves and Other Services			
- unencumbered corporate surplus from 2008-2009			
- impact of sale of ONTREA delayed to December 2009			
- other Services miscellaneous surplus			
- cross-cultural initiatives delayed to 2010-2011			
- downsizing funds			
- surplus funds from sale of assets			
- advancement of various initiatives			

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

2010-2011 Operating Budget
Comparison of Current 2009-2010 Forecast to Opening Budget

	$ 000's		
Details (cont'd)	**March 2009 Board Presentation**	**January 2010 Forecast**	**Variance**
English Services			
- increased LPIF funding			
- higher than expected carryover from 2008-2009			
- higher than expected commercial revenues			
- higher than expected other revenues			
- cuts reversed (small radio stations and news)			
- spending delayed to 2010-2011			
French Services			
- increased LPIF funding			
- higher than expected carryover from 2008-2009			
- higher than expected commercial revenues			
- higher than expected other revenues			
- spending delayed to 2010-2011			
Expected 2009-2010 Year-end Budget Position			

Appendix B – Annual Risk Management Report Presented to the Audit Committee of the Board on March 10, 2010

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

February 25, 2010

2010-2011 Key Risks Ranking (Assessment as at Feb 15, 2010)

		2010-11			2009-10
Rank	Key Risk	Impact	Likelihood	Risk Score	Risk Score
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

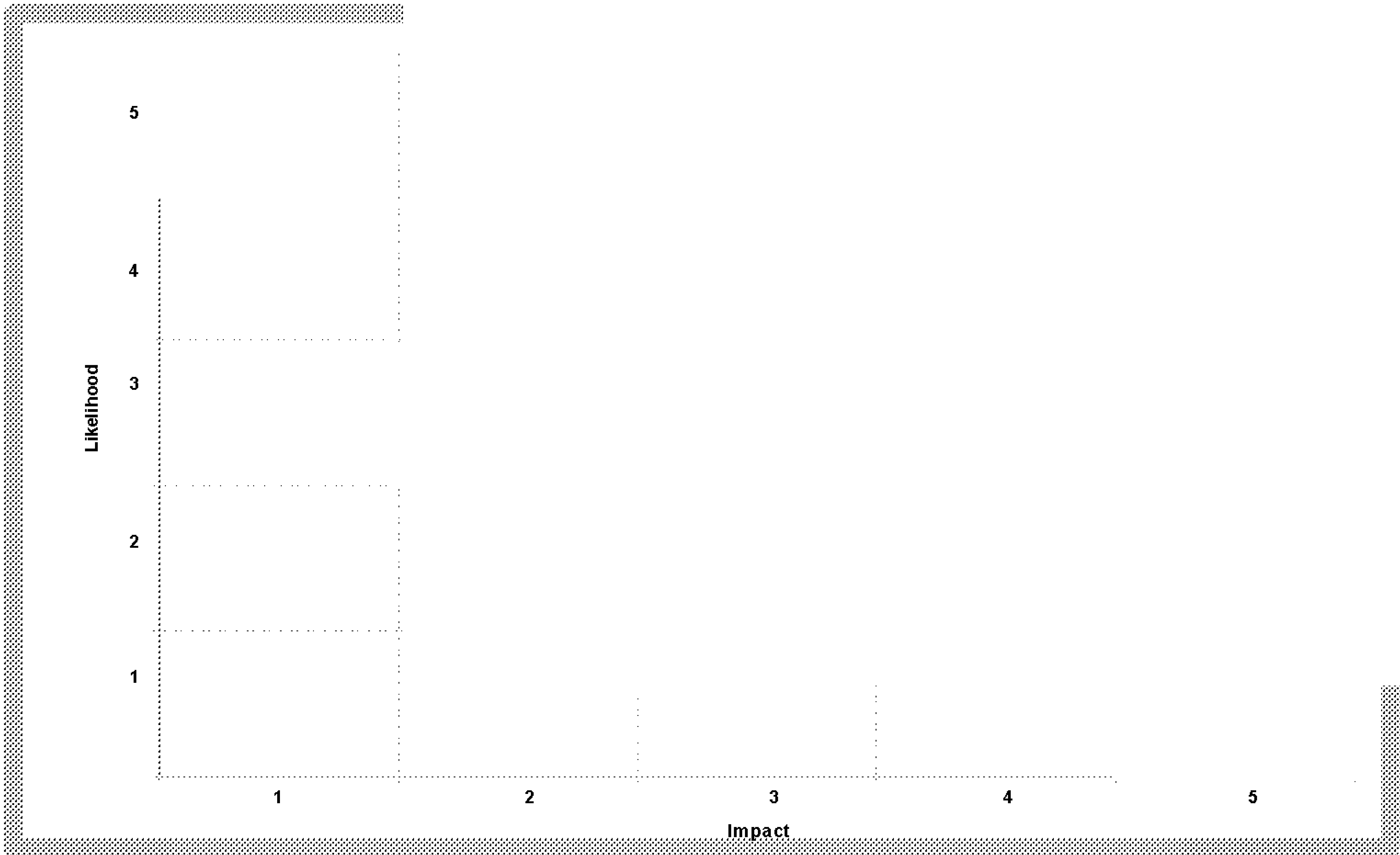
[1] These risks were identified separately in 2009-2010.

[2] This risk was grouped with *Network Failure or Program Degradation* risks in 2009-2010.

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

February 25, 2010

2010-2011 Key Risks Map



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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score
			Impact

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

A0023238_90-000781

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

A0023238_91-000782

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

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

February 25, 2010

2010-2011 Key Risks

Risk Definition	Strategies Identified	Components Responsible to Manage Risk	Risk Score

Risk Ranking Definitions

Impact Descriptions

		Description / Example
5	Severe	Multiple deaths and/or significant asset loss with extreme consequences and/or total service cessation for a day or more and/or severe revenue or cost impact and/or severe impact on the Corporation's reputation.
4	Major	Single death and/or multiple injuries and/or loss of asset(s) with high consequences and/or total service cessation for a number of hours and/or serious revenue impact or cost and/or major impact on the Corporation's reputation.
3	Moderate	Individual injury and/or loss of asset(s) with medium consequences and/or partial service cessation and/or significant revenue or cost impact and/or moderate impact on the Corporation's reputation.
2	Minor	First aid and/or loss of asset(s) with minimal consequences and/or minor service interruption and/or small revenue or cost impact and/or minor impact to the Corporation's reputation.
1	Insignificant	No injuries and/or minor loss of asset(s) and/or negligable revenue or cost impact and/or insignificant impact on the Corporation's reputation.

Likelihood Descriptions

		Description / Example
5	Almost Certain	The event is expected to occur in most circumstances.
4	Likely	The event will probably occur in most circumstances.
3	Possible	The event should occur at some time.
2	Unlikely	The event could occur at some time.
1	Rare	The event may occur only in exceptional circumstances.

Appendix C – Detailed Media Budgets

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

2010-2011 Operating Budget
English Television – Detailed Budget

English Television	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
SOURCES OF FUNDS			
Share of Parliamentary Appropriation			
Prior Year Carryover			
Local Programming Improvement Fund			
Sale of Assets			
Commercial Revenues			
Internet Revenues			
Value-added / Contra Revenues			
CBC News Network Revenues			
Bold Revenues			
Miscellaneous Revenues			
TOTAL SOURCES OF FUNDS - ENGLISH TELEVISION			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS *Details on next two pages*			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			
TOTAL APPLICATION OF FUNDS - ENGLISH TELEVISION			
NET POSITION			

Prior Year Carryover includes English Radio carryover

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

2010-2011 Operating Budget
English Television – Detailed Budget (cont'd)

English Television	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
APPLICATION OF FUNDS - NETWORK OPERATIONS			
Network Programming and Production:			
Sports			
Network Programming			
News and Current Affairs			
CBC News Network			
Bold			
Communications			
Media Operations & Technology			
Other Programming Commitments (Reserve)			
Revenue-generating Services:			
Media Sales and Marketing			
Business Development			
cbc.ca			
Technical Services:			
Toronto Production Services			
News Production Services			
Affiliates			
Plant - Broadcast Services - Master Control			
Broadcast Engineering & IT Media Support			
General Administration:			
Administration			
Training			
Finance and Administration			
Business Rights and Content Management			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS			

s.68.1

2010-2011 Operating Budget
English Television – Detailed Budget (cont'd)

English Television	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
APPLICATION OF FUNDS - REGIONAL OPERATIONS			
Newfoundland			
Maritimes			
Ottawa			
Toronto - Windsor			
Quebec			
CBC North			
Manitoba			
Saskatchewan			
Alberta			
British Columbia			
Program Management			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			

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

2010-2011 Operating Budget
English Radio – Detailed Budget

English Radio	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
SOURCES OF FUNDS			
Share of Parliamentary Appropriation			
Prior Year Carryover			
Miscellaneous Revenues			
TOTAL SOURCES OF FUNDS - ENGLISH RADIO			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS *Details on next page*			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			
TOTAL APPLICATION OF FUNDS - ENGLISH RADIO			
NET POSITION			

English Radio's carryover to 2010-2011 is included under English Television

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

2010-2011 Operating Budget
English Radio – Detailed Budget (cont'd)

English Radio	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
APPLICATION OF FUNDS - NETWORK OPERATIONS			
Arts and Entertainment			
Network Music			
Radio 3			
Sirius			
News and Current Affairs			
Network Services			
Production and Resources			
Other Programming Commitments (Reserve)			
Entrepreneurial Activities			
Distribution			
Radio Production Centre			
Management			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS			
APPLICATION OF FUNDS - REGIONAL OPERATIONS			
Newfoundland			
Maritimes			
Ottawa			
Ontario			
Toronto			
Quebec			
CBC North			
Manitoba			
Saskatchewan			
Alberta			
British Columbia			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			

Note: Year over Year budgets for the regions appears to be declining because the network reserve has not been allocated at this stage

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

2010-2011 Operating Budget
French Television – Detailed budget

French Television	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
SOURCES OF FUNDS			
Share of Parliamentary Appropriation			
Prior Year Carryover			
Local Programming Improvement Fund			
Sale of Assets			
Commercial Revenues			
Internet Revenues			
Value-added / Contra Revenues			
Réseau de l'information			
Miscellaneous Revenues			
TOTAL SOURCES OF FUNDS - FRENCH TELEVISION			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			
TOTAL APPLICATION OF FUNDS - FRENCH TELEVISION			
NET POSITION			

Details provided on next two pages

Prior Year Carryover includes French Radio carryover

2010-2011 Operating Budget
French Television – Detailed Budget (cont'd)

French Television	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
APPLICATION OF FUNDS - NETWORK OPERATIONS			
Network Programming and Production:			
Sports			
Arts and Entertainment			
News and Current Affairs			
Réseau de l'information			
Internet and Digital Services			
Communications			
Other Programming Commitments (Reserve)			
Revenue-generating Services:			
Revenue Group			
Technical Services:			
Plant - Production Services			
Plant - Broadcast Services - Master Control			
Broadcast Engineering and IT Media Support			
General Administration:			
Administration			
Strategic Planning			
Media Library and Archives			
Training			
Finance and Administration			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS			

2010-2011 Operating Budget
French Television – Detailed Budget (cont'd)

s.68.1

French Television	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
APPLICATION OF FUNDS - REGIONAL OPERATIONS			
Local Programming Improvement Fund			
Atlantic			
Québec / Regions of Québec			
Ottawa-Gatineau / Ontario			
West			
Affiliates			
Management			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			

A0023238_105-000796

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

2010-2011 Operating Budget
French Radio – Detailed Budget

French Radio	2009-2010 Annual Budget ($000's)	2009-2010 Forecast ($000's)	2010-2011 Proposed Budget ($000's)
SOURCES OF FUNDS			
Share of Parliamentary Appropriation			
Prior Year Carryover			
Miscellaneous Revenues - French Radio			
Miscellaneous Revenues - Radio Canada International			
TOTAL SOURCES OF FUNDS - FRENCH RADIO			
APPLICATION OF FUNDS - NETWORK OPERATIONS			
Première Chaîne			
Espace Musique			
Sirius			
News and Current Affairs			
Other Programming Commitments (Reserve)			
Radio Canada International			
Production Services			
Administration			
TOTAL APPLICATION OF FUNDS - NETWORK OPERATIONS			
APPLICATION OF FUNDS - REGIONAL OPERATIONS			
Atlantic			
Québec / Regions of Québec			
Ottawa-Gatineau / Ontario			
West			
Management			
TOTAL APPLICATION OF FUNDS - REGIONAL OPERATIONS			
TOTAL APPLICATION OF FUNDS - FRENCH RADIO			
NET POSITION			

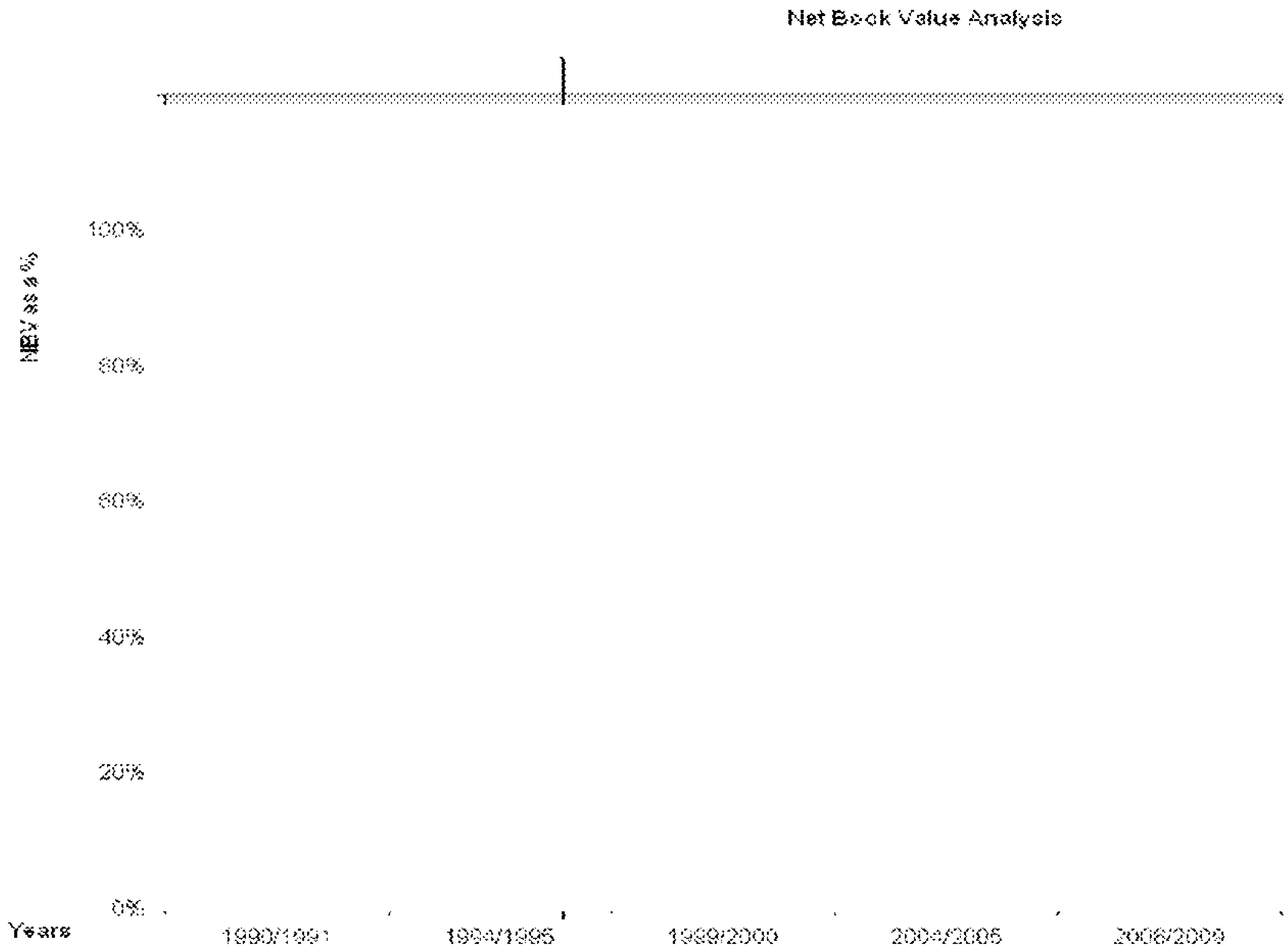
French Radio's carryover to 2010-2011 is included under French Television

Appendix D –
Net Book value analysis –
based on 5 years of data point

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

Capital Budget 2010-2011

Net Book value analysis – based on 5 years of data point



Appendix E –
3-Year Capital Plan highlights
Key initiatives

Capital Budget 2010-2011

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

3-Year Plan Highlights
Production Infrastructure (

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

Capital Budget 2010-2011
3-Year Plan Highlights
Production Infrastructure ((cont'd)

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

Capital Budget 2010-2011

3-Year Plan Highlights
Enterprise Systems & Technology Infrastructure (

-
- ity,
-
-
-
-
-
-

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

Capital Budget 2010-2011

3-Year Plan Highlights
Presentation, Collection, Distribution & Delivery

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

Capital Budget 2010-2011

3-Year Plan Highlights

Presentation, Collection, Distribution & Delivery (
(Cont'd)

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

Capital Budget 2010-2011

3-Year Plan Highlights
Property Management (

Capital Budget 2010-2011

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

3-Year Plan Highlights
Fleet & Minor Capital Purchases (

-
-

Appendix F –
Recommended Capital Budget Projects > $5M

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

Capital Budget 2010-2011

Recommended Capital Budget / Projects > $5M

PROJECTS APPROVED (in $000's)							
Projects	BOD approval date [1]	2010-2011	2011-2012	2012-2013	3-Year Total	All Years Total	Original Budget
Mission Critical:							
Electronic News Systems							
Desktop Radio							
Upgrade CDI - Montreal							
Centralized Radio Master Control - English Radio							
Centralized Radio Master Control - French Radio							
Payback initiatives:							
Cogeco Disaffiliation							
Growing the business							
Ottawa Consolidation							
Quebec Consolidation							
Transmission Strategy							
Upgrade Network Operating Center							
HD Presentation Outputs - English TV							
HD Presentation Outputs - French TV							
Subtotal - Projects Approved							
PROJECTS PLANNED (in $000's)							
Mission Critical							
Replace SX recording & field equipment - French TV							
Replace SX recording & field equipment - English TV							
Production Studio - Halifax [2]							
Vision - On Air Core							
SAP HR							
Growing the business							
Next Generation Convergence Network							
Efficiency Project							
Universal Search							
Payback initiatives							
Calgary Relocate CBR-AM and sale of existing site [3]							
Subtotal - Projects Planned							
Total - All Projects over $5 Million							

Appendix G –
Board Resolution

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

Board Resolution

WHEREAS:

A. Management presented the 2010-2011 Operating and Capital Budgets to the Board, a copy of which shall be filed together with the original of these minutes as Exhibit "A";
B. The Board has reviewed the Strategic Priorities, Strategic Plans, Enterprise Risk Management and the Financial Context all as further described in the Business Plans;

On a motion duly moved and seconded,

IT IS RESOLVED THAT:

A. The Board hereby approves the 2010-2011 Operating and Capital Budgets as presented;
B. The Board hereby approves the Operating Budget for fiscal 2010-2011 in the amount of

C. The Board hereby approves the Capital Budget for fiscal 2010-2011 in the amount of

D. The President and CEO or the Vice President and Chief Financial Officer or their respective delegates, for and on behalf of the Corporation be and are hereby authorized to do everything in their power to implement the Business Plans;

MOTION CARRIED

Schedule A

Board of Directors

March 17, 2010

s.18(b)

Subject matter

CBC/Rogers Umbrella Agreement MOU

s.20(1)(b)

Background

s.21(1)(b)

CBC and Rogers have agreed in principle to an umbrella agreement MOU for which Board approval is sought. The umbrella agreement consists of 4 separate contracts:
1) Contract extension of CBC's specialty channels on Rogers Broadcast Distribution Undertaking (BDU)

s.68.1

Information on the matter

The CBC/Rogers deal is aligned with English Service's strategy to provide CBC content where and how Canadians want to use it. In addition, this deal provides leverage towards:

The attached material outlines the key deal terms and also provides background information relevant to the overall context of the MOU.

For decision ☒ X **For information** ☐

Prepared by

Name:Richard Stursberg
Date: March 15, 2010

Recommendation

The Audit Committee has reviewed the proposal and recommends that the Board authorize the Corporation to enter into the CBC/Rogers Umbrella MOU agreement, subject to the conditions outlined below.

Last discussed at the Board

Date: n/a
Decision made:

Note: Execution of the MOU is subject to a comprehensive review of the proposed MOU by SET and to final approval by the President and CEO.

v14 - Final

Strictly Private & Confidential

CBC & Rogers Deal Summary

Board of Directors Presentation

17 March 2010

CBC

Contents

CBC

CBC: A Content Company

CBC: A Content Company

- Content is evolving from professionally produced linear content, to non-linear content the audience interacts with.
- **Linear**: Content consumed in real time (TV, radio, etc.)
- **Non-Linear**: Content consumed when and how the reader/listener/viewer wants (books, CD's, newspapers, etc.)

Traditional Media

- Platforms and content are tightly tied together

Linear	Television *TV shows appear only on TV*	Phone-in shows
Non-Linear	Books *Novels appear only in books* Newspapers *Print Journalism only in newspapers*	Letters to the Editor Fanzines & Pamphlets

CBC

New Media

Linear	Web-sites Streams
Non-Linear	VOD PPV Podcasting iTunes DVD's CD's

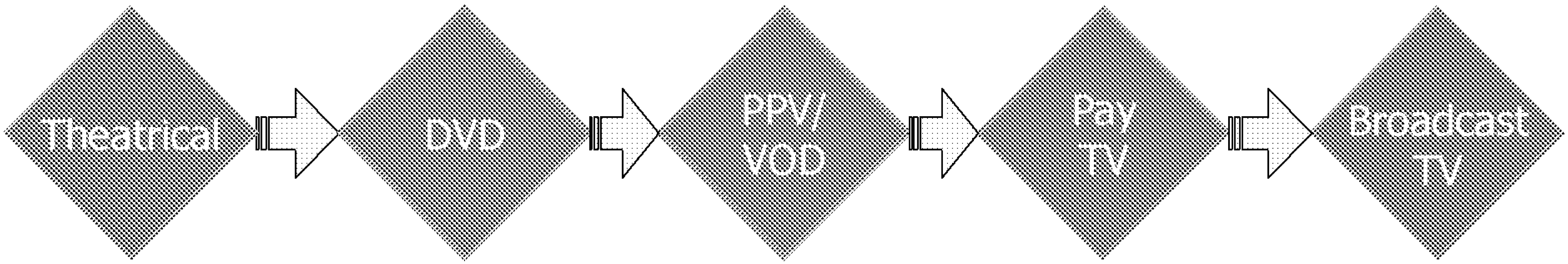
New Media

- Content and Platforms are loosely tied

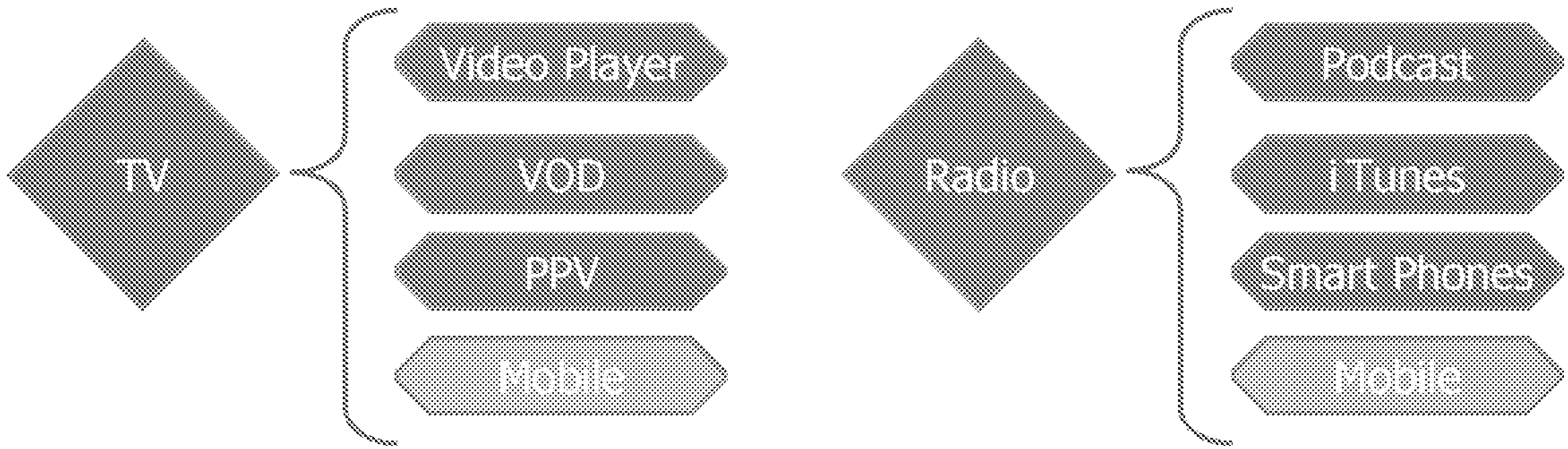
	TV shows can appear on:	Radio shows can appear on:
Media	Televisions DVD's VOD PPV iTunes Google YouTube	Radio Satellite Radio CD's Podcasts Web-sites Mobile phones

The Shifting Structures: *Two Examples*

An Old Example: Feature Films



New Examples: Drama & Radio



CBC

A0023240_9-000820

Keys to Success

- We need to ensure we have the rights to all the new windows, as they evolve
- We need to ensure we understand and have good relationships with the new platform owners

Section 2 | Rogers & CBC Deal

Deal Overview

- The CBC challenge:

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

- Rogers and CBC have agreed in principle to an “umbrella agreement” MOU for which we are seeking Board approval, that addresses the following:
  - ***Specialty Channels:*** Distribution of CBC’s specialty digital channels on Rogers’ broadcast distribution service.

s.68.1

* $0.52 Blended English & French rate.

CBC

Deal Financial Overview

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

Broadcast Channels

Annual Revenue

On-Demand & Broadband

Annual Revenue

s.68.1

FIFA

is at risk from a lower subscription rate

	Subscribers	Revenue @ $0.52*	Revenue @ $0.29	Revenue At Risk
Rogers				
Other BDUs				
Total				

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

s.20(1)(b)

CBC

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

Broadcast Channels

Commercial Terms

	CBC NN	Bold	Documentary	Jaroo
Term				
Subscription Rate				
Package				
Advertising				
Others				

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

s.20(1)(b)

Rogers On Demand & Rogers Broadband Site

Commercial Terms					
	CBC NN	OTA On Demand	Bold	Documentary	Jaroo
Term	5 Years	5 Years	5 Years	5 Years	3 Years
Rate					
Package					
Advertisir					
Others					

CBC

A0023240_16-000827

CBC Radio-Canada

374th MEETING OF THE BOARD OF DIRECTORS **March 16 – 17, 2010** **Ottawa, Ontario** **LOCATION** **Ottawa Production Centre** **181 Queen Street** **3rd floor, room 333** **Ottawa, Ontario** **Secretariat** **Tel: (613) 288-6281** **Fax : (613) 288-6279**	**374e RÉUNION DU CONSEIL D'ADMINISTRATION** **Les 16 et 17 mars 2010** **Ottawa (Ontario)** **LIEU** **Centre de Production d'Ottawa** **181, rue Queen** **3e étage, Salle 333** **Ottawa (Ontario)** **Secrétariat** **Tél. : (613) 288-6281** **Télécopieur : (613) 288-6279**
Tuesday, March 16, 2010	**Le mardi 16 mars 2010**
08:00 **Human Resources and Compensation Committee – Room 336**	8 h **Comité des Ressources humaines et de la rémunération – Salle 336**
09:15 Conclude	9 h 15 Levée de la séance
09:15 **Real Estate Committee – Room 336**	9 h 15 **Comité des projets immobiliers – Salle 336**
09:45 Conclude	9 h 45 Levée de la séance
09:45 **Strategic Planning Committee – Room 333**	9 h 45 **Comité de Planification stratégique – Salle 333**
11:15 Conclude	11 h 15 Levée de la séance
11:15 **Nominating and Governance Committee – Room 336**	11 h 15 **Comité des Nominations et de la gouvernance – Salle 336**
11:45 Conclude	11 h 45 Levée de la séance

12:00	**Standing Committees on English and French Language Broadcasting – Room 333**	12 h	**Comités permanents sur la radiodiffusion de langue française et de langue anglaise – Salle 333**
13:45	Conclude	13 h 45	Conclusion
14:00	**Board of Directors – Room 333**	14 h	**Conseil d'administration – Salle 333**
18:00	Adjournment	18 h	Ajournement
18:30	**Board Dinner** **Rideau Club** 99 Bank Street Yousuf Karsh Room	18 h 30	**Dîner du Conseil** **Rideau Club** 99, rue Bank Salon Yousuf Karsh
Wednesday, March 17, 2010		**Le mercredi 17 mars 2010**	
09:00	**Board of Directors (cont'd) – Room 333**	9 h	**Reprise de la Réunion du Conseil – Salle 333**
12:00	Conclude	12 h	Levée de la séance

Schedule A

Real Estate Committee March 16th, 2010

Subject matter

Update on the Halifax consolidation - integration project

Background

Project is being introduced for the first time in detail to the Real Estate Committee

Information on the matter

CBC/Radio-Canada now owns and occupies two buildings in downtown Halifax. Both buildings have significant vacancies as well as are in very poor condition. The English Media's goal is to have all operations in a single location. Real Estate services, English media and CBC finance have been evaluating CBC's options in the market place. A business case and report are being prepared and we are targeting to present the options to the Real Estate Committee at the May meeting.

As part of the strategy, CBC should maximize the value of its two buildings should they be sold. In order to achieve this, Real Estate Services is currently negotiating an agreement with the YMCA, its neighbor at the Radio building site (Sackville street) contemplating, a joint application to the Halifax Regional Municipality for site plan approval and development permit. The YMCA's building is also in very poor condition and they want to build a new facility. Once the site plan approval and building permit are obtained, the agreement contemplates the preparation and issuance of a request for development or sale proposals and the choice of a purchaser/developer. CBC has the ability to terminate the arrangement with the YMCA.

For decision	X	**For information**	

Prepared by

Name: Maryse Bertrand
Date: March 15th, 2010

Recommendation

Approve the execution of the agreement with the YMCA.

Last discussed at the Board

Date: N/A
Decision:

Next steps

Completion of the business case and presentation to the Real Estate Committee

Pages 831 to / à 832

are withheld pursuant to sections

sont retenues en vertu des articles

18(a), 18(b), 20(1)(b)

of the Access to Information Act

de la Loi de l’accès à l’information

HALIFAX RELOCATION PROJECT

WHEREAS:

A. Canadian Broadcasting Corporation (the "**Corporation**") owns and occupies a building located on Sackville Street in downtown Halifax (the "**Radio Building**") where it carries out its radio operations;

B. The Building requires substantial repairs due to its poor condition;

C. It is in the interest of the Corporation to maximize the value of the Building;

D. In order to maximise the value of the Building, an agreement is being negotiated, with our neighbour The YMCA of Greater Halifax/Dartmouth (the "**YMCA**") whereby the Corporation jointly with the YMCA would:

   a. file a joint application to Halifax Regional Municipality for site plan approval and development permit;

   b. prepare and issue a request for proposals for sale or development of the Radio Building and the YMCA's building; and

   c. subsequently, with further approval of the Board, enter into a development agreement or a sale agreement with a developer.

IT IS RESOLVED THAT:

(Approving Transaction) The Corporation be and is hereby authorized to enter into an agreement with the YMCA, for the purposes listed above (the "**YMCA Agreement**"),

(Approving the negotiation of the YMCA Agreement) The Corporation be authorized to negotiate and eventually enter into the YMCA Agreement including any other terms and conditions agreed to by the Corporation as evidenced by the signature of the officer designated hereafter.

(Approving the signing of an agreement with the YMCA) The Vice President Real Estate, Legal Services and General Counsel or its delegate, for and on behalf of the Corporation be and is hereby authorized to sign and execute on behalf of the Corporation the YMCA Agreement.

(Further authority) The Vice President Real Estate, Legal Services and General Counsel or its delegate is 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 resolution including but not limited to the execution and filing of the required documents and applications with the Halifax Regional Municipality.

REVISED

375th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – May 11-12, 2010

Tuesday, May 11, 2010

ITEM	START TIME	LED BY	MOTION REQUIRED	DOCUMENT
1. In Camera with President and CEO	12:00 (30 min)	Hubert T. Lacroix		
2. Approval of minutes of the March 16, 2010 meeting	12:30 (5 min)	Tim Casgrain	YES	YES
3. Matters arising from previous meetings	12:35 (75 min)			
• Update re tracking information by market for local news, CBCNN, and The National		Richard Stursberg		YES
• Post-mortem Board Approved Business Deals – 1 year after		Richard Stursberg		
▪ International Sales				YES
▪ Wonderworld (Children's Broadband Channel)				YES
4. Chair's Report	13:50 (10 min)	Tim Casgrain		
5. Strategic Planning Committee Report	14:00	Peter Charbonneau		YES
Adjournment	18:00			
Wednesday, May 12, 2010				
6. Human Resources and Compensation Committee Report	12:00 (60 min)	Rémi Racine		
• SARTEC Mandate			YES	
• ACTRA Mandate			YES	
• Evaluation of President and CEO's performance 2009-2010 (in camera)			YES	
• President and CEO's objectives for 2010-2011 (in camera)			YES	
• Performance assessment (Corporate / Component / Individual) and compensation planning recommendations for SET members			YES	
• Incentive payout summary for all Executives			YES	
• Key Executive Long Term Incentive Program			YES	
7. Audit Committee Report	13:00 (15 min)	Peter Charbonneau		
• SX Camera Replacement			YES	
8. Real Estate Committee Report	13:15 (15 min)	Rémi Racine		
• Presentation on Real Estate Direction and Challenges				YES

REVISED

375th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – May 11-12, 2010

Next meeting – June 22 & 23, 2010 **Ottawa, Ontario** Conclude	13:45			

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) Annual Report Presentation – Bill Chambers

REVISED

375th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – May 11-12, 2010

Tuesday, May 11, 2010

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2. Approval of minutes of the March 16, 2010 meeting	12:30	Tim Casgrain	YES	YES
3. Matters arising from previous meetings				
• Update re tracking information by market for local news, CBCNN, and The National		Richard Stursberg		YES
• Post-mortem Board Approved Business Deals – 1 year after		Richard Stursberg		
▪ International Sales				YES
▪ Wonderworld (Children's Broadband Channel)				YES
4. Chair's Report		Tim Casgrain		
5. Strategic Planning Committee Report		Peter Charbonneau		YES
Adjournment	18:00			
Wednesday, May 12, 2010				
6. Human Resources and Compensation Committee Report	12:00	Rémi Racine		
• SARTEC Mandate			YES	
• ACTRA Mandate			YES	
• Evaluation of President and CEO's performance 2009-2010 (in camera)			YES	
• President and CEO's objectives for 2010-2011 (in camera)			YES	
• Performance assessment (Corporate / Component / Individual) and compensation planning recommendations for SET members			YES	
• Incentive payout summary for all Executives			YES	
• Key Executive Long Term Incentive Program			YES	
7. Audit Committee Report		Peter Charbonneau		
• SX Camera Replacement			YES	
8. Real Estate Committee Report		Rémi Racine		
• Presentation on Real Estate Direction and Challenges				YES

REVISED

375th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – May 11-12, 2010

Next meeting – June 22 & 23, 2010 **Ottawa, Ontario** Conclude	13:45			

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) Annual Report Presentation – Bill Chambers

Audit Committee

May 5, 2010

s.18(a)

s.18(b)

Subject Matter

Authorisation is being sought for Capital funding for CBC/Radio-Canada's SX Field Equipment Replacement Project and to sign annual supply contracts as necessary to acquire the required equipment.

Upon approval, detailed implementation plans will be prepared in both French and English Services. The roll-out of the selected equipment (Sony XDCAM 50mbit) will occur over four years beginning in the current fiscal year.

Total Capital funding over four years is up tc Funds will be released to the project in phases based on Detailed Cost Estimates.

Background

Sony SX is the current Corporate Standard for Field Acquisition with cameras in service mostly operating in 16x9. Cameras were purchased over a four year period beginning in 1998 and, when replaced under this plan, will be on average 12 years old or two years beyond the industry benchmark of 10 years for Field Equipment.

The replacement technology Sony XDCAM 50mbit was jointly decided by both TV networks after an extensive evaluation and RFP/RFSO process. Sony was the overall winner based on a number of factors including price, workflow and compatibility with our Avid DeskTop editing infrastructure.

The RFSO does not commit the Corporation to replace all existing cameras with XDCAM. We are free to make a change in the event that a more attractive technology becomes available.

XDCAM 50Mbit records on BluRay disc in Standard definition or High Definition and facilitates the introduction of a file-based workflow which increases efficiency and permits content to be handled as data within an IT based infrastructure. File based workflow also increases speed of access and permits a reduction in purpose built hardware eg: videotape recorders.

Funding is provided in the Capital Plan Reviewed by the Board of Directors in March as outlined below:

$000's

	10/11	11/12	12/13	13/14	Total
English Services					
French Services					

Objective and Rationale

The primary objective is reliable and cost effective news gathering capability.

CBC/Radio-Canada currently uses Sony SX, a field gathering camera technology, which is at end of life and has not been manufactured since 2005. Cameras are beginning to fail with increasing regularity and, by the time they are replaced under this plan, will be on average 12 years old or two years beyond the Industry benchmark.

The replacement technology, Sony XDCAM 50mbit was selected by a joint process involving both English and French Services. It will permit an expansion of HD production capability and will introduce file-based workflow which is more efficient than current technology and well suited to the 'Content Company' mode of operation.

Type of Contract

In each of the next four years, supply contracts are expected to exceec [redacted]

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

Overview of Parties

Recommended supplier/services provider:

Sony of Canada

Recommended equipment:

Primary technology is the Sony XDCAM 50mbit camera also known as PWD-700.

Financial Terms

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

The supply arrangement is a Request for Standing Offer (RFSO). There is no obligation to a fixed number of cameras with freedom to switch to another platform should more attractive technology become available over the next four years. Pricing is very attractive with a [redacted] rom the Canadian list price.

Start Date and Term

The first supply contract will occur in fiscal 2010/11 with additional contracts in each of the next three fiscal years.

Special Clauses

N/A

Authorized Signatories

Vice-President and Chief Financial Officer: Suzanne Morris

Executive VP English Services: Richard Stursberg

Executive VP French Services : Sylvain Lafrance

Proposition of Resolution by the Board to authorize recommended signatories attached.

Remark/Risk evaluation/Critical issues

The procurement period includes years in which the Capital Plan has yet to be balanced. However, given the importance of the project to the Corporation's news gathering capability, all other options will be exercised before any changes to the expense profile are considered.

CBC Policies applicable to this transaction

2.3.6	Procurement
2.3.8	Delegation of Financial Authority
2.9.3	Delegation of Signing Authority

For decision prior to negotiation ■ **For information** ☐

Prepared by

Name:	Dany Harrison Chair, Technology Strategy Board
Date:	April 23, 2010

Management recommendation

That the Audit Committee recommend to the Board of Directors approval of the selection of Sony of Canada as the selected supplier for the SX Replacement Project and authorize management to proceed with the next steps to elaborate and sign agreements with the said Supplier.

Last discussed at the Board

Date:	Capital Plan Approval, March 2010
Decision made:	Approval of Capital Plan.

Next steps

Preparation of Annual Detailed Costs estimates and Supply Contracts to facilitate implementation of the SX Replacement Project.

Post Deal Analysis – *International Sales*

January 2010

1	***Business Plan Presented to the Board***
2	Actual Results
3	Key Learnings & Conclusions

Business Case as Approved
January 2008 (selected slides)

Overview – Sale of CBC International Television Program Sales

[redacted]

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

Business Case as Approved
January 2008 (selected slides)

The Sale

Deal Summary

Note: Summary of and extracts from the Board Presentation dated January 23, 2008.

s.18(a)
s.18(b)
s.20(1)(b)
s.68.1

Deal Summary (cont.)

Note: Summary of and extracts from the Board Presentation dated January 23, 2008.

s.18(a)
s.18(b)
s.20(1)(b)
s.68.1

Financials Presented To The Board On January 23, 2008

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

	CBC International Television Program Sales Review / Projection					
	Fiscal Years					Five Year Total
	04 - 05	05 - 06	06 - 07	07 - 08 projected	08 - 09 projected	
Operating Margins	*$'000*					
Revenues						
Costs (1)						
Margin $						
Margin %						

(2) ContentFilm will be assigned outstanding receivables and payables. CBC will negotiate retaining the positive cashflow.

Additional Information Board Relied On For Decision

Note: Summary of and extracts from the Board Presentation dated January 23, 2008.

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

DRAFT for discussion

1	Business Plan Presented to the Board
2	***Results***
3	Key Learnings & Conclusions

Results

DRAFT for discussion

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

1	Business Plan Presented to the Board
3	Results
3	***Key Learnings & Conclusions***

Key Learnings & Conclusions

Key Learnings	Conclusions

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

s.68.1

CBC NEWS RENEWAL

LOCAL NEWS: TV, RADIO, AND ONLINE

	TOTAL FTE'S	ADDS		TV NEWS ($)	TV NEWS (FTE'S)
Vancouver					
Edmonton					
Calgary					
Sask					
Manitoba					
Windsor, Sudbury, Thunder Bay					
Toronto					
Ottawa					
Quebec					
Sydney, Moncton, Saint John					
PEI					
NS					
Nfld/Lab					
TOTALS					

NOTES

Television (per marke

Local Radio (per mark

APPENDIX 1

SX CAMERA REPLACEMENT PROJECT

WHEREAS CBC/Radio-Canada currently uses Sony SX field cameras for newsgathering purposes and these cameras were purchased over a four-year period beginning in 1998;

WHEREAS the industry benchmark for field camera life is a maximum of 10 years and the CBC/Radio-Canada cameras will be, on average, 12 years old at replacement;

WHEREAS Sony ceased production of SX field cameras in April 2005 and has no obligation to supply parts after April 2012;

WHEREAS Sony SX field cameras do not support HD or operate in a file-based workflow;

WHEREAS management has identified a replacement for the SX field camera, and has, through an RFSO process, selected Sony as the supplier, based upon price, workflow and compatibility with the AVID Desk Top editing infrastructure used by CBC/Radio-Canada;

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

IT IS RESOLVED THAT:

APPROVAL OF PROJECT

THAT the Corporation be and is hereby authorized to proceed with the SX Camera Replacement Project, for a total cost not to exceed over a four year period, commencing in 2010-2011

AGREEMENTS WITH SONY

THAT the Corporation be and is hereby authorized to enter into all necessary agreements with Sony for the supply of cameras and peripheral equipment in order to realize the implementation of the SX Camera Replacement Project, for a consideration not exceeding (hereinafter the “Sony Agreement”);

AND IT IS FURTHER RESOLVED:

THAT one of the President and CEO or the Executive Vice-President, English Services or the Executive Vice-President, French Services, together with the Vice-President, Chief Financial Officer, or their respective delegates, for and on behalf of the Corporation be and are hereby authorized to negotiate, enter into and to execute under the corporate seal of the Corporation or otherwise and to deliver to the other parties thereto, the Sony Agreement on the terms and conditions enunciated in the foregoing resolution and any other terms and conditions as they may see fit with such alterations, additions, and amendments or variations in their absolute discretion determined necessary, and may be approved by execution of the same on behalf of the Corporation, and whose signature shall be conclusive evidence of such approval by the Corporation, that the Sony Agreement so executed is that authorized by this delegation of Authority, and that the Sony Agreement shall be valid and binding upon the Corporation; and

THAT the Executive Vice-President, English Services or the Executive Vice-President, French Services or the Vice-President, Chief Financial Officer 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 resolution, and to the Sony Agreement, and the taking by the Executive Vice-President, English Services or the Executive Vice-President, French Services or the Vice-President, Chief Financial Officer of any such action, the doing by the Executive Vice-President, English Services or the Executive Vice-President, French Services or the Vice-President, Chief Financial Officer of any such thing, the execution by the Executive Vice-President, English Services or the Executive Vice-President, French Services or the Vice-President, Chief Financial Officer of any such instrument or document or the delivery by the Executive Vice-President, English Services or the Executive Vice-President, French Services or the Vice-President, Chief Financial Office of any such instrument, document or material shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

SX Camera Replacement Project - Supplementary Information

The Board is being asked to approve a capital project for the acquisition of cameras to replace the SX cameras now in use. The approval requested also includes authorization for the Corporation to enter into a Standing Offer arrangement with Sony, pursuant to which agreements will be executed for the purchase of cameras and peripheral equipment over a four-year period at a total cost not to exceed

s.18(a)

s.18(b)

Request for Standing Offer (RFSO)

While there is no guarantee to commit to a vendor and/or a minimum order value under the RFSO, Sony understands the value of CBC/Radio-Canada carrying their product line from the outset and has committed to a substantial discount:

- Proceeding with the Sony line of equipment from the outset is advantageous to Sony being the product and vendor of choice for the duration of the project.
- CBC/Radio-Canada will be the single largest customer of this line of equipment in Canada.
- Marketing value to announce CBC/Radio-Canada has chosen the Sony line of equipment.

Project Governance

This project involves the replacement of the current stock of aging field cameras for use in newsgathering by both English and French Services. The project plan calls for replacement on a location-by-location basis over a four-year period commencing in 2010-2011.

The project will be executed and managed in accordance with the provisions established for all large capital projects. These include:

1. Initial review and recommendation for approval of the project by the Audit Committee

2. Board approval of the project

3. Designated Project Management and oversight on the project

4. On-going project monitoring by Capital Executive Team, the Capital Roundtable and the Technology Strategy Board

5. Quarterly capital budget financial report with variance analysis will be provided to the Audit Committee and the Board, with comments and explanatory notes where required. Board approved projects :
are highlighted within this report.

6. Annual review by Capital Executive Team against overall strategic plan, corporate priorities and financial situation for purposes of determining the appropriate funding allocation in the annual capital plan, which is submitted to the Board for approval each year in March

Post Deal Analysis – *Wonderworld*

January 2010

1	***Business Plan as Presented to the Board***
2	Summary of the Deal Objectives
3	Results
4	Key Learnings & Conclusions

Business Case as Approved
March 2009 (selected slides)

Deal Points
An Overview

CBC has entered into an MOU with DHX and Tribal Nova In establishing the Channel, the parties wish to extend CBC's preschool children's brand and build on one of CBC's core competencies – the delivery of high-quality programming to children. Deal points consist of (subject to Board approval):

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

Business Case as Approved
March 2009 (selected slides)

Deal Points
An Overview

CBC has entered into an MOU with DHX and Tribal Nova in establishing the Channel, the parties wish to extend CBC's preschool children's brand and build on one of CBC's core competencies – the delivery of high-quality programming to children. Deal points consist of (subject to Board approval)

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

Business Case as Approved
March 2009 (selected slides)

Financial Summary
Condensed P&L

s.68.1

Business Case as Approved
March 2009 (selected slides)

Financial Summary
Cash Flow

CF and NPV	March 6, 2008 - 12:56 PM - DHX Board.xls					
Venture	Notes	Start-up	YE 29 Nov. 09	YE 29 Nov. 10	YE 29 Nov. 11	YE 29 Nov. 12

s.68.1

Allocated according to following:

DHX Position

s.20(1)(b)

Tribal Nova Position

s.20(1)(b)

CBC Position

s.68.1

1	Business Plan as Presented to the Board
2	***Summary of the Deal Objectives***
3	Results
4	Key Learnings & Conclusions

s.68.1

Board Presentation: Mar. XX, 2008
Summary of the Deal

The Initiative: Kids CBC Wonder World

- [redacted]
- [redacted]
- [redacted]
- [redacted]

Strategic Fit

s.68.1

Financial Projections

s.68.1

s.68.1

Board Presentation: Mar. XX, 2008
Summary of the Deal

Other Key Information

1	Business Plan as Presented to the Board
2	Summary of the Deal Objectives
3	***Results***
4	Key Learnings & Conclusions

Wonderworld
Key Performance Indicators

Performance Indicators after 1 month of Actual Results			
Performance Indicator	**Planned**	**Actual (after 1 month to Sept. 30, 2009)**	**Notes**
Subscribers (Paid)			
Monthly Sub. Fee			
Revenue			
Expenses			
Net profit (loss)			

Overall Commentary

- **Launch was delayed to Sept. 1, 2009**

Wonderworld
Key Performance Indicators

Performance Indicators – Updated Forecasts to end of Year 4			
Performance Indicator	**Planned**	**Forecast (to Nov. 29, 2012)**	**Notes**
Subscribers (Paid)			
Monthly Sub. Fee			
***Cumulative* Financial Performance over 4 Years**			
Revenue			
Expenses			
Net profit (loss)			
Overall Commentary			

1	Business Plan as Presented to the Board
2	Summary of the Deal Objectives
3	Results
4	***Key Learnings & Conclusions***

s.68.1

Initiative Name
Key Learnings & Conclusions

Key Learnings	*Conclusions*

Schedule A

Board of Directors
May 11 & 12, 2010

Subject matter

Post Mortems: To Review The Status Of Previously Approved Plans
- International Sales
- Wonderworld

Background

The Board of Directors had previously approved the sale of International Sales to Content Film, and the start up of the new broadband channel Wonderworld.

The presentation of the post mortems are for informational purposes and in particular to:
1. Update the Board on the transactions.
2. Review the results to date.
3. Review any learnings which can be applied to future transactions / business.

Information on the matter

For decision ☐ **For information** ☑

Prepared by

Name: Richard Stursberg
Date: April 23, 2010

Recommendation

Last discussed at the Board

Date:

Decision made:

Next steps

Post Deal Analysis – *International Sales*

April 2010

Draft v6

1	***Business Plan Presented to the Board***
2	Actual Results
3	Key Learnings & Conclusions

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

Business Case as Approved *January 2008 (selected slides)*

Overview – Sale of CBC International Television Program Sales

Business Case as Approved
January 2008 (selected slides)

The Sale

s.18(a) s.18(b) s.20(1)(b) s.68.1

Deal Summary

s.18(a)
s.18(b)
s.20(1)(b)
s.68.1

Deal Summary (cont.)

Financials Presented To The Board On January 23, 2008

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

CBC International Television Program Sales Review / Projection						
	Fiscal Years					Five Year Total
	04 - 05	05 - 06	06 - 07	07 - 08 projected	08 - 09 projected	
Operating Margins	$'000					
Revenues						
Costs (1)						
Margin $						
Margin %						

(2) ContentFilm will be assigned outstanding receivables and payables. CBC will negotiate retaining the positive cashflow

2

1	Business Plan Presented to the Board
2	***Results***
3	Key Learnings & Conclusions

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

s.20(1)(b)

Results

1	Business Plan Presented to the Board
3	Results
3	***Key Learnings & Conclusions***

s.20(1)(b)

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

Key Learnings & Conclusions

Key Learnings	*Conclusions*

Schedule A

Board of Directors
May 11 & 12, 2010

Subject matter

Post Mortems: To Review The Status Of Previously Approved Plans
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- Wonderworld

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1. Update the Board on the transactions.
2. Review the results to date.
3. Review any learnings which can be applied to future transactions / business.

Information on the matter

For decision ☐ **For information** ☑

Prepared by

Name: Richard Stursberg
Date: April 23, 2010

Recommendation

Last discussed at the Board

Date:

Decision made:

Next steps

Post Deal Analysis – *Wonderworld*

April 2010

Draft v9

1	***Business Plan as Presented to the Board***
2	Summary of the Deal Objectives
3	Results
4	Key Learnings & Conclusions

Business Case as Approved
March 2008 (selected slides)

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

Deal Points
An Overview

Business Case as Approved
March 2008 (selected slides)

Deal Points
An Overview

CBC has entered into an MOU with DHX and Tribal Nova In establishing the Channel, the parties wish to extend CBC's preschool children's brand and build on one of CBC's core competencies – the delivery of high-quality programming to children. Deal points consist of (subject to Board approval):

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

Business Case as Approved
March 2008 (selected slides)

Financial Summary
Condensed P&L

s.68.1

[redacted]

A0023264_6-000890

Business Case as Approved
March 2008 (selected slides)

Financial Summary
Cash Flow

CF and NPV	March 6, 2008 - 12:56 PM - DHX Board.xls					
Venture	Notes	Start-up	YE 29 Nov. 09	YE 29 Nov. 10	YE 29 Nov. 11	YE 29 Nov. 12

s.68.1

Allocated according to following:

DHX Position

s.20(1)(b)

Tribal Nova Position

CBC Position

s.68.1

1	Business Plan as Presented to the Board
2	***Summary of the Deal Objectives***
3	Results
4	Key Learnings & Conclusions

Board Presentation: March 2008
Summary of the Deal

The Initiative: Kids CBC Wonder World

s.68.1

Board Presentation: March 2008
Summary of the Deal

Strategic Fit

s.68.1

Board Presentation: March 2008
Summary of the Deal

Financial Projections

Board Presentation: March 2008
Summary of the Deal

Other Key Information

1	Business Plan as Presented to the Board
2	Summary of the Deal Objectives
3	***Results***
4	Key Learnings & Conclusions

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s.68.1

Wonderworld
Key Performance Indicators (vs Launch Forecast)

Performance Indicators after 4 months of Results			
Performance Indicator	Forecast @ Launch	4 months to Dec 31, 2009 (Est @ Feb 2010)	Notes
Subscribers (Paid)			
Monthly Sub. Fee			
Revenue			
Expenses			
Net profit (loss)			

Overall Commentary

- Launch was delayed to Sept. 1, 2009

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s.68.1

Wonderworld
Key Performance Indicators (vs Plan)

Performance Indicators – Updated Forecasts to end of Year 4			
Performance Indicator	**Planned**	**Forecast**	**Notes**
Subscribers (Paid)			
Monthly Sub. Fee			
Cumulative Financial Performance over 4 Years			
Revenue			
Expenses			
Net profit (loss)			
Overall Commentary			

1	Business Plan as Presented to the Board
2	Summary of the Deal Objectives
3	Results
4	***Key Learnings & Conclusions***

Wonderworld
Key Learnings & Conclusions

Key Learnings	*Conclusions*

Schedule A

Board of Directors
May 11 & 12

Subject matter

Tracking News Audiences

Background

A major re-organization of CBC News began roughly three years ago. It culminated in a major restructuring and relaunch of all news programming in October 2009. The attached document shows the trending in news audiences in Canada generally and for CBC Television News, CTV News and Global News in particular.

Information on the matter

Note, the audience measurement system changed in September, from BBM's to 'People Metres'. Background on the change is included.

For decision ☐ **For information** X

Prepared by

Name: Richard Stursberg (Barbara Pizel, Director of Research)
Date: April 23, 2010

Recommendation

Last discussed at the Board

Date:
Decision made:

Next steps

CBCtelevision

English Services
News Programming - Audience Overview
2000/01 – 2009/10

Richard Stursberg
Board of Directors Meeting
May 11-12, 2010

CBC Early Evening News

s.68.1

History Since Fall 1989

- Since 1989 the *CBC Early Evening News* audiences
- In December 1990 local newscasts in Calgary, Saskatoon, Windsor, Sydney and Corner Brook were shut down and the focus of the news shifted from a local to a regional perspective.
- Then in 1992, a 90-minute early evening program block starting at 5:30pm was introduced.
- Fall 2000 saw the introduction of *Canada Now: Local* and the reduction of the local news to 30 minutes. From 2000/01 to 2005/06, CBC aired *Canada Now*: *National* from 6-6:30pm and *Canada Now: Local* from 6:30-7pm.

- In the Atlantic region, Winnipeg and Windsor the local news aired first at 6pm, followed by *Canada Now: National* at 6:30pm, featuring a national news program based out of Vancouver in the 6:30-7pm time slot.

- In January 2006, *Canada Now: Local* became *CBC News at Six* (30 minutes) while *Canada Now: National* became *Canada Now*.

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s.68.1

CBC Television's Early Evening News

CBC Early Evening Hour News

s.68.1

History Since 2007

- Another change was implemented mid-season in February 2007 when the *CBC News at Six* 30 minute program changed to a 60 minute local newscast replacing the previous two half-hour programs.
- So Fall 2007 was the first time since Fall 1999 that CBC broadcast a one hour early evening local news program on weekday evenings.
-
- In 2009/10, CBC changed its local news offering and launched 90-minutes of local news programming. Three half hour programs were created airing from 5-5:30pm, 5:30-6pm, and 6-6:30pm
- In addition to the change to 90-minutes, It is important to note that at the beginning of the 2009/10 season, Canada moved to a new television audience measurement system called PPMs (portable people meters). In addition, audiences are no longer directly comparable to previous years with the Mark II Meter measurement.

- The following document provides an overview of CBC's Local News Offering and a record of how CBC's local news is performing across the various markets and across TV, Radio and Online.

s.68.1

Early Evening Time Block & Local News

Historical Schedule & Audience Trending (2000/01-2009/10)

Early Evening Time Block & Local News

s.68.1

Historical Audience Trending (2000/01-2009/10)

Local News

Historical Audience Trending (2000/2001-2009/2010)

s.68.1

CBC Local News

Year over Year Audiences – Total National Audiences

s.68.1

CBC Local News

Year over Year Audiences - Major Meter Markets

CBC Local News

s.68.1

Year over Year Audiences - Diary Markets

s.68.1

CBC Local News

Year over Year Audiences - Diary Markets

s.68.1

Share* of CBC Television's Early Evening News vs. Main Competitor

s.68.1

Share* of CBC Television's Early Evening News vs. Main Competitor

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s.68.1

Share* of CBC Television's Early Evening News vs. Main Competitor

s.68.1

Share* of CBC Television's Early Evening News vs. Main Competitor

Source: BBM Canada

s.68.1

The National
Changes in 2009/10

- On October 26, 2009, CBC relaunched its News programming.
- Part of the relaunch included a change to the format and the approach to the content of The National.
- In addition, The National's end time on the main CBC network changed by 5-minutes moving from 11pm to 10:55pm in order to accommodate a new late local news broadcast, which runs from 10:55 to 11:05pm nightly. (On CBC News Network The National airs for the full hour)
- For the purposes of audience tracking,
  - The National Part 1 runs from 10pm through to 10:25pm
  - The National Part 2 runs from 10:25pm to 10:55pm
- It is important to note that at the beginning of the 2009/10 season, Canada moved to a new television audience measurement system called PPMs (portable people meters). The change to PPMs has had a fairly significant impact on some programs. In addition, audiences are no longer directly comparable to previous years with the Mark II Meter measurement.
- This summary provides the overall audience trending for The National Part 1 and 2 and the market by market trending for The National Part 1 only.

s.68.1

National Newscasts

s.68.1

The National Part 1

Year over Year Audiences - Total National Audiences

s.68.1

The National Part 2

Year over Year Audiences - Total National Audiences

s.68.1

The National Part 1

Year over Year Audiences - Major Meter Markets

s.68.1

The National Part 1

Year over Year Audiences - Diary Markets

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The National Part 1

Year over Year Audiences - Diary Markets

s.68.1

CBC News Network

Changes in 2009/10

- On October 26, 2009, CBC relaunched its News programming.
- Part of the relaunch included a change to the name, structure, format and the approach to the content of CBC News Network (formerly CBC Newsworld).
- At the beginning of the 2009/10 season, Canada moved to a new television audience measurement system called PPMs (portable people meters).
- The change to PPMs has had a fairly significant impact on specialty News networks with all networks reporting lower audience levels than in the Mark II measurement system. In addition, audiences are no longer comparable to previous years as a result of the change to PPMs.
- This summary provides the overall share tracking for CBC News Network over the past 5 years.

s.68.1

Specialty News Networks

Historical Share Trending

s.68.1

CBC News Network

Year over Year Audiences – Total National Audiences

Source: BBM Canada, Total Canada

CBCtelevision

News Programming - Audience Overview
2000/01 – 2009/10

CBC Research Toronto

Internal Memo
Note de service

CBC Radio-Canada

Date May 6, 2010

From/De Michel Tremblay

Subject/Objet **Driving Towards 2015 : Long term Strategic Plan**

CBC/Radio-Canada Board of Directors

Cc :

Steering Committee

Sylvain Lafrance
Richard Stursberg
Bill Chambers
Francine Létourneau

Bain Team

s.19(1)

Our purpose today is to apprise the Board of the progress made over the last four months in developing a new strategic direction and to seek its input on a number of fronts including:

- A proposed mission framework or promise to Canadians, and,
- A set of guiding principles to bring definition to how we will deliver on our promise to Canadians.

We will as well take a look at our competitive environment and at the challenges faced by other national Public Service Broadcasters. We will speak to the key findings to date and identify the emerging priorities that we are working on with the guidance of the Board Strategic Planning Committee.

Background

In November 2009, we informed the Board that we were launching a new strategic planning process designed to provide the organization with a set of long-term strategic directions that will strengthen the position of CBC/Radio-Canada in the digital environment.

We have retained Bain & Company to work with us to develop the plan. They bring considerable planning and media expertise from a North American and European perspective and from both a public and private broadcasting perspective.

We have established a Steering Committee and Working Team to drive the project and have consulted with a large number of our people from CBC/Radio-Canada. All have invested a tremendous amount of time and energy in contributing to this project.

The Strategic Planning Committee of the Board (P. Charbonneau, Chair of the Committee, Tim Casgrain, Linda Black, George Cooper and Rémi Racine) has so far met three times to take stock of our progress and to discuss the key elements of the proposed strategy. These discussions have been of great help to test a wide range of ideas.

Our meeting today

On May 11, we will spend at least three hours with the Board to present the part of our work to date that has been fully discussed and validated by the Strategic Planning Committee. We plan to discuss the emerging strategies with the Board at its next meeting.

Our specific objectives for the meeting are as follows:

1. Do a recap of project goals and provide an update of progress against the Plan;

2. Discuss highlights of the current CBC/Radio-Canada situation and present the relevant experience of other key Public Service Broadcasters (PSBs);

3. Discuss the proposed mission framework and the related guiding principles and highlight the emerging priorities; and,

4. Discuss next steps

We will involve both members of the Steering Committee and from the Bain Team in the presentation.

I will make myself available to you at a time of your choice, if you would like to discus the project prior to the meeting.

Looking forward to a fruitful discussion,

Michel

CBC Radio-Canada

BAIN & COMPANY

Driving Towards 2015: Long-Term Strategic Planning

CBC/Radio-Canada Board Update
May 11th, 2010

Objectives for today's discussion

1. Recap project goals and provide update on progress against plan

2. Discuss highlights of current CBC | R-C situation and relevant experience from Public Service Broadcasters (PSBs) peers

3. Discuss proposed mission framework, guiding principles and highlight emerging strategies

4. Highlight key next steps

Corporate strategic plan will provide guidance to overall direction for CBC□R-C

	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 **viewers** 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

For CBC | R-C, success in this effort is defined by gaining clarity on vision, priorities & actions

1. **Promote alignment and a more consistent view amongst leadership team** around the market evolution and CBC | R-C priorities
2. **Provide clear direction and a "filter" at the corporate level** to guide longer-term strategy and planning priorities <u>and</u> inform near-term decisions
3. **Accelerate current momentum** in increasing cultural leadership and impact
4. **Clearly identify and size what investments are required** (content, platform, new business) to **grow "share of voice"**
5. **Provide additional "room to maneuver" financially** to deliver against a broad programming mandate, through revisiting fixed commitments and existing funding models
6. **Ensure full benefit from CBC | R-C's overall scale, while reflecting and respecting inherent differences** in French- and English-language markets

Agenda

- Outline process to date and current project status
- Share context for strategy
  - -External environment, learnings from PSB peers
  - -CBC/R-C "point of departure"
- Discuss mission interpretation and framework for assessment of success in delivery
- Highlight key areas of focus for emerging integrated strategy and review next steps

Our project spans three main phases to define corporate strategy for next 5 years

Current project status

	Phase 0	① Strategic Foundation	② Making & Enabling Choices	③ Preparing for Mobilization
Key activities:	• Interview key CBC/RC executives • Gather data to inform next phases • Develop hypotheses	• Define future environment - Audience trends - Competitive landscape trends - Content trends • Identify public service mission, regulatory regimes and implications • Synthesize and integrate findings • Outline preliminary options • Assess mobilization challenges	• Articulate desired CBC R-C role in future environment • Define, assess, iterate and improve upon options • Confirm trade-offs required and implications • Define and assess investments and funding flexibility required to achieve desired mission • Identify additional capabilities required to achieve desired role	• Continue to align key stakeholders around recommendations • Develop implementation and mobilization plan • Define and lay groundwork for people and process required to execute plan • Prioritize key gaps to address (structural, financial, capabilities)
Outcomes:	• Detailed workplan • Joint team start-up • Initial analysis	• Common view of external environment to help guide decision-making • Perspective on PSB-specific issues and winning strategies to address	• Recommendation for long-term strategic plan • Key investments and pro forma financials • Alignment on plan from Executive team, Steering Committee	• Road-map of activities to realize strategic plan • Metrics/indicators to track success

A broad range of people have been heavily involved in project to date

	Members	Key responsibilities	Interactions
Steering Committee	• Hubert Lacroix • Sylvain Lafrance • Richard Stursberg • Bill Chambers • Francine Letourneau • Michel Tremblay	• Establish goals of joint CBC | Radio-Canada / Bain effort • Make decisions and provide approval on path forward • Remove internal roadblocks	• Formal meetings every 3-4 weeks to review findings • Interim 1 on 1 progress check-ins and discussions on particular issues as required
Working team	• Mark Allen • Marie-Philippe Bouchard • Francine Letourneau • Stan Staple • Michel Tremblay • Christine Wilson	• Work with Bain team to -Gather & analyze data -Generate ideas -Summarize options and recommendations • Facilitate collaboration with other CBC I Radio-Canada stakeholders	• Formal meetings every ~2 weeks • One on one discussions to solicit perspective at outset • Additional in-person and follow up meetings as required to understand data, detail activities
Other CBC/R-C staff	• As needed through process • Michel & Francine to invite	• Input on specific issues and data items	• Ad hoc as required
"Les effervescents"	• 11 "out of the box thinkers" from across the organization	• Provide feedback on options generated	• Conducted calls to gather feedback on mission interpretation and emerging strategic priorities

Today, we are seeking board input on top two layers of strategic plan elements

Strategic plan elements	**Key decisions for CBC | R-C**
Mission	• Our promise to Canadians
Guiding principles	• How we define the actions that we should take to live up to our promise to Canadians
Strategic priorities & key initiatives	• Priority investments over next 5 years - E.g., programming genres, platforms • Changes in current service delivery
Funding, resources, organization	• Operating budget guidelines & constraints • Operational improvement goals (e.g., ad sales, cost efficiency) • Capital asset requirements • Funding & future environment scenario analysis
Implementation planning	• Communications & stakeholder engagement strategy • Timeline of actions, initiatives • Resource, capability requirements & accountability • Milestones & metrics

Agenda

- Outline process to date and current project status

- Share context for strategy
  - -External environment, learnings from PSB peers
  - -CBC/R-C "point of departure"

- Discuss mission interpretation and framework for assessment of success in delivery

- Highlight key areas of focus for emerging integrated strategy and review next steps

Summary findings from external environment review

Market Trends

- Sustained shift from **conventional** broadcasting to **specialty** channels in EN & FR
- Emergence of non-linear consumption on **digital platforms** (esp. news)
- Increasing **competitor investment in non-linear** platforms, but with challenged monetization
- Lack of clear Cdn leaders in building **online content** destinations
- **Regional/local TV news** becoming **cost-prohibitive** for competitors

Implications for CBC | R-C

- Need for clear **framework for interpreting mission** and guiding CBC | R-C initiatives
- Need to **secure new outlets** for content, reduce dependency on conventional broadcast
- **"Window of opportunity"** to launch definitive strategy and clarify role with **digital** platforms
- Urgent **need to address cost** structure to be competitive, especially in news
- Need to selectively explore areas for **coordinating strategy** and **operations** across EN/FR services

CBC | R-C Performance

- **Ratings** growth in EN/FR TV
- Strong and growing **share** in **radio**
- Competitive lead in **online traffic**
- Focus on **broadcast** TV (vs. **specialty**) hurting competitive position
- **High cost** position in EN & FR services (esp. news)
- Inconsistent **coordination** of activities in EN/FR

Public/Regulatory

- **Mixed (but improving) public perception** of CBC | R-C delivery on broadcasting mandate
- **"Room to maneuver"** in interpretation of CBC | R-C mission (although with political risks)
- Volatile relationship with government creating **greater uncertainty for long-term support**
- Unpredictable and **short-term funding shifts** leading to reactive CBC | R-C behavior
- **Pressure** from commercial competitors against **"unfair" public funding**, access to carriage fees

Media consumption is growing and shifting to non-linear, on-demand digital platforms

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

TV

The shift from conventional to specialty TV continues

TV

s.18(b)

Source: 2009 CRTC Monitoring Reports

s.18(b)

Audiences are changing how they interact with TV, but live TV expected to maintain high share

Conventional radio remains an important medium though consumption is in decline

s.18(b)

Majority of Canadians view high speed internet as essential to their day to day lives

s.18(b)

ONLINE

Broadcasters increasingly under pressure from distribution competitors in EN & FR markets

s.18(b)

Peers are adapting to digital with new windows for programming and by adjusting org. structures

PSB PEERS

BBC	francetélévisions	ABC Australian Broadcasting Corporation
• Established a number of specialty channels to serve different programming needs • Future Media & Technology structure to work across BBC • Development and heavy marketing of iPlayer to allow UK users to access BBC content online • Leadership role in Project Canvas to develop open internet TV/video platform	• Established a number of specialty channels to provide different types of programming • Member of Hybrid Broadcast Broadband TV initiative to develop European standard for hybrid set-top boxes	• Introduction of dedicated kids' specialty channel • Set to launch 24 hour news channel • Created separate division called **New Media and Digital Services** to coordinate activities

At the same time, they have sought to maintain and increase their connection with regions

PSB PEERS

BBC	france télévisions	ABC Australian Broadcasting Corporation
• Regulatory quota that >30% of broadcast hours in regions • Sought to invest £68M in network of 60+ local video websites - But shelved due to expense and impact on commercial rivals • 2009 MOU signed with key competitor (ITV) to explore sharing of regional newsroom and studios	• Established dedicated channel for regions, France 3 • Moving from 23 regional service locations to greater use of eight hubs • Plan to increase future flexibility of production	• Introduced "digital town square" concept to support exchange of ideas and Australian experiences • Launched local online presence in 53 markets - Overlaps with 45 radio stations - Secured incremental A$15M annual funding

Agenda

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Summary of current "point of departure" and potential opportunities

- CBC/R-C current service portfolio has created solid **foundation for mission delivery success**, but has also **spread available resources very thin**

-

- Maintaining **digital leadership** in Canada remains **high priority** and **requires investment** and clear **definition of CBC/R-C brand** online

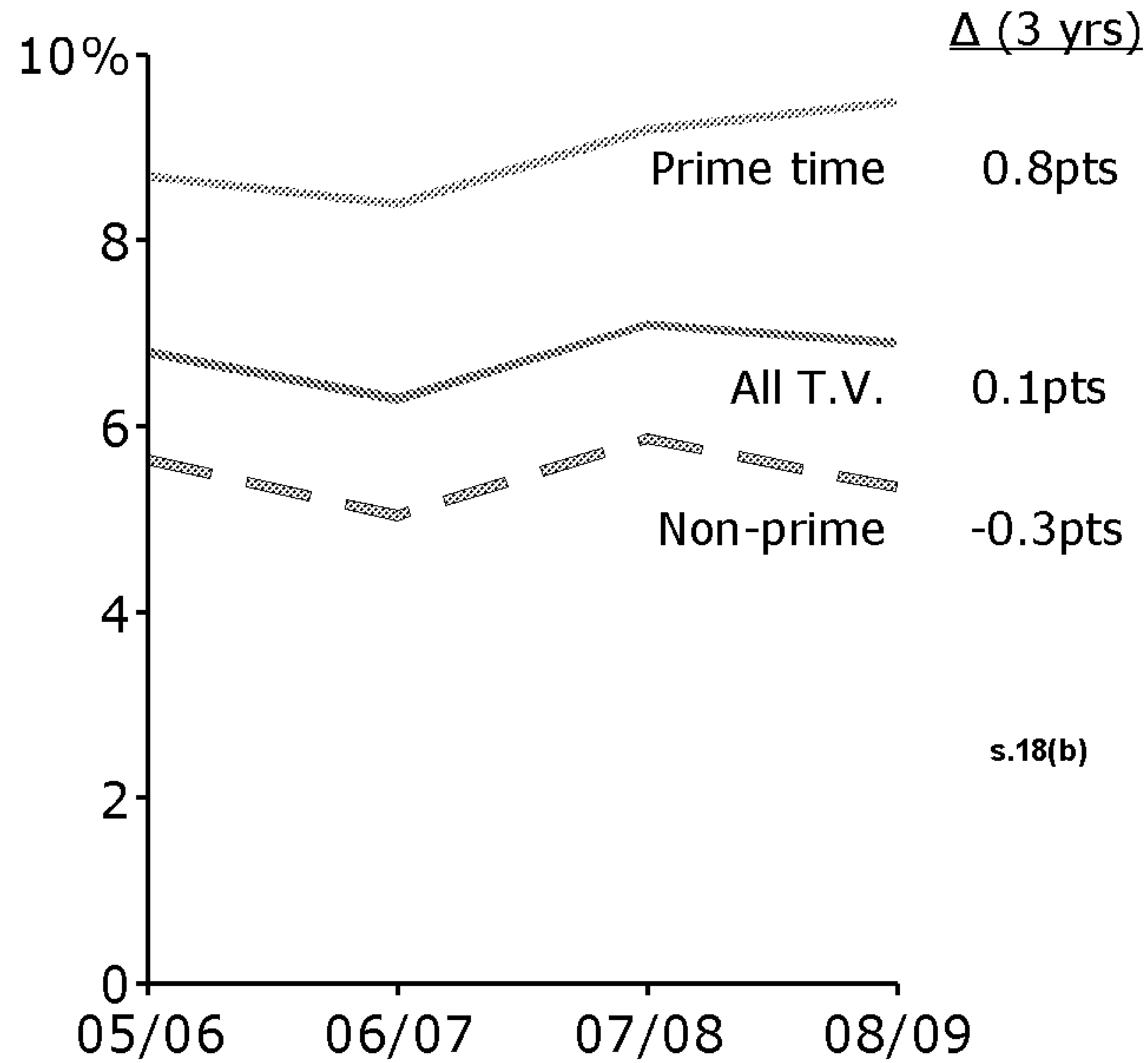
s.18(a)
s.18(b)
s.68.1

- Broad-reaching service strategy has created **strong audience performance** for CBC | R-C, but has put **future funding sufficiency into question**
  -

CBC's prime time focus has grown overall share of viewing, despite limited specialty position

EN TV

CBC market share, EN TV



s.18(b)

Prime share of all TV:	37.9%	37.4%	37.0%	37.3%

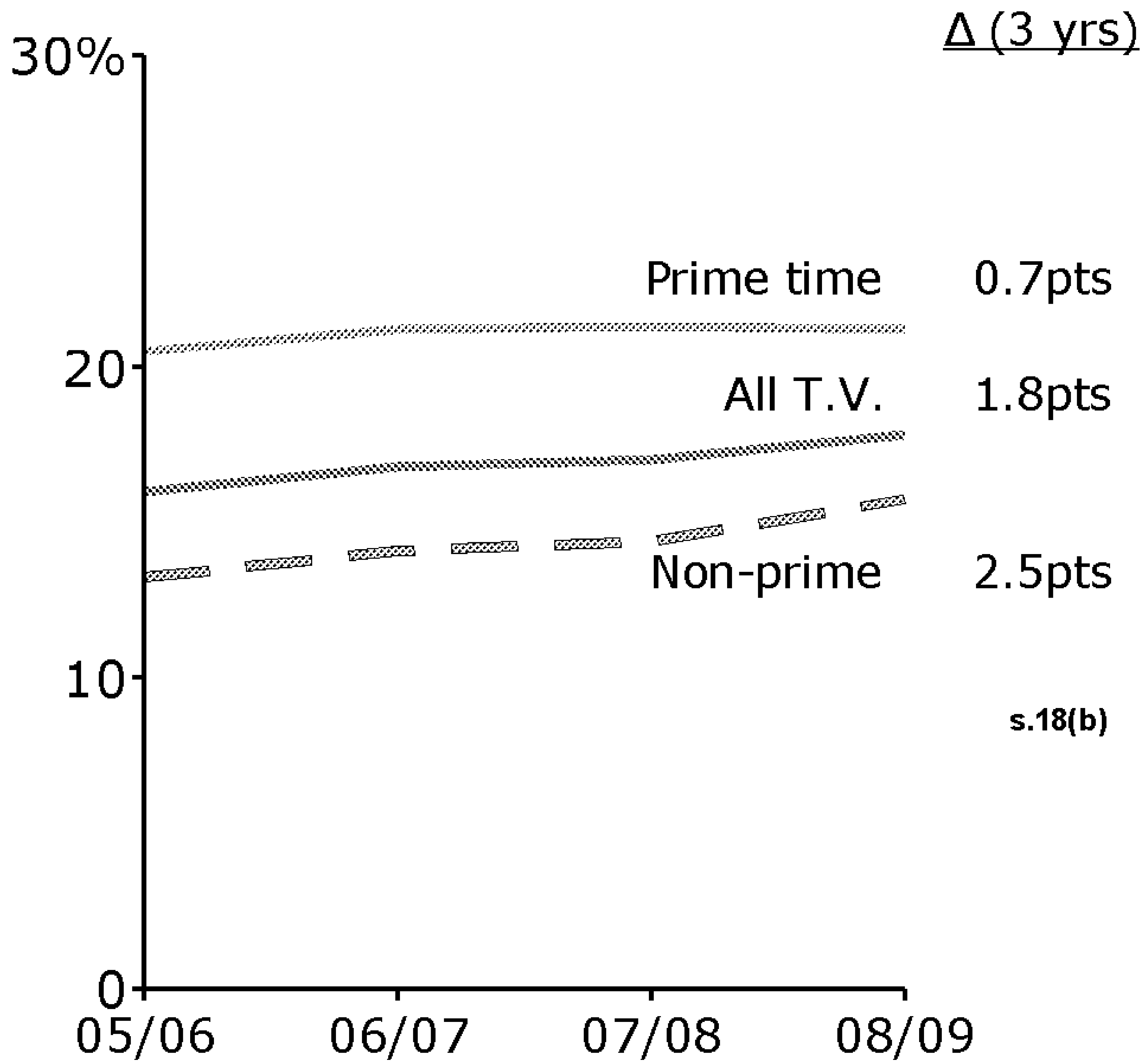
- Steady **gains in prime time**
- **Non-prime share fallen to 5.4%**, while overall share has settled at around 7%

Source: BBM: CBC/RC weekly audience reports (broadcast year Sep-Aug); MTM KPI data

R-C's non-prime gains have grown overall share of viewing, while prime time share is holding

FR TV

R-C market share, FR TV



s.18(b)

Prime share of all TV:	38.1%	38.3%	37.8%	37.8%

- Steady **gains in overall share to 18%**, as non-prime share rose to 16% (while prime time share steady at 21%)

Source: BBM: CBC/RC weekly audience reports (broadcast year Sep-Aug); MTM KPI data

Leadership of Radio One and Première Chaîne has driven share gain in EN and FR markets

s.68.1

With no changes to current services, average annual funding gap could grow to [redacted]

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

Agenda

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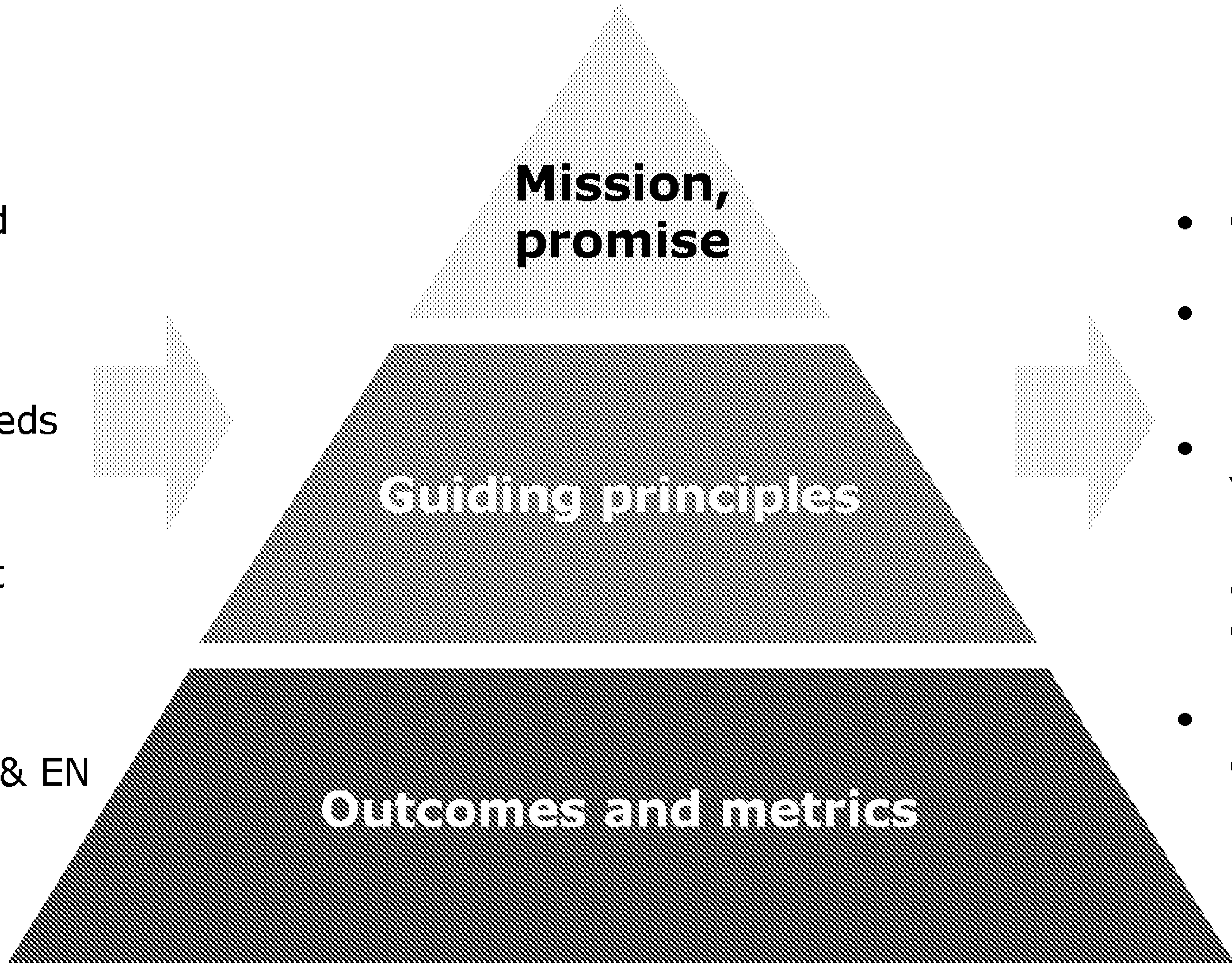
Mission framework features three levels of definition to guide strategy and focus activities

Mission Framework

Inputs

- Mandate and public policy
- Canadian audience needs
- Competitive environment
- Distinctive differences between FR & EN markets



Impact

- Guides strategy
- Defines service priorities
- Serves as "prism" to inform ongoing and future decisions
- Sets expectations for performance

CBC/R-C **mission/promise** to Canadians

CBC Radio-Canada

CBC□R-C will be the **recognized leader** in **expressing Canadian culture** and **enriching the democratic life** of all Canadians

- Creating and delivering **original** and **innovative**, **quality Canadian** content
- **Reflecting** and **drawing together** all Canadians
- Effectively **engaging audiences**
- Remaining **cost-effective and accountable**

To deliver on this mission, CBC□R-C services must align with **guiding principles**

Mission:

Express Canadian culture and **enrich democratic life** through …

… original, innovative, quality Canadian content …	… that reflects and draws together Canadians …	… effectively engaging audiences …	… while remaining cost-effective and accountable

Guiding principles:

… original, innovative, quality Canadian content …

- 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**

… that reflects and draws together Canadians …

- Contributing to **shared national identity** & social cohesion
- Reflecting Canada's **multicultural and multilingual diversity**
- Reflecting **the regions** to themselves and to the country
- Contributing to **diversity of voices**

… effectively engaging audiences …

- **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

… while remaining cost-effective and accountable

- Delivering our services in the **most efficient manner**
- Ensuring the **economic sustainability** of our services
- Optimizing the percent of **funds** spent on **content**

Providing high public value to Canadians

The mission and guiding principles address all components of the Broadcasting Act

Express Canadian culture and **enrich democratic life** through…

… original, innovative Canadian content …

- 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**

… that reflects and draws together Canadians …

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… while remaining cost-effective and accountable

- Delivering our services in the **most efficient manner**
- Ensuring the **economic sustainability** of our services
- Optimizing the percent of **funds** spent on **content**

1991 Broadcasting Act:

- "...the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a **wide range of programming** that **informs, enlightens** and **entertains**
- The programming provided by the Corporation should
  - Be **predominantly** and **distinctively Canadian**
  - **Reflect Canada** and its regions to national and regional audiences, **while serving the special needs of those regions**
  - Actively contribute to the **flow and exchange of cultural expression**
  - Be in English and in French, reflecting the **different needs and circumstances of each official language community**, including the particular needs and circumstances of English and French linguistic minorities
  - Strive to be of **equivalent quality** in English and French
  - Contribute to **shared national consciousness and identity**
  - Be made available **throughout Canada** by the most **appropriate and efficient means** and **as resources become available** for the purpose
  - **Reflect the multicultural and multiracial nature of Canada**

Source: Broadcasting Act, 1991
Note: Bold emphasis inserted by Bain

All services provided will be measured to optimize performance on desired **outcomes**…

s.18(b)

...to help define service and resources to maximize value provided to Canadians [EN]

s.68.1

s.68.1

...to help define service and resources to maximize value provided to Canadians [FR]

Agenda

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The strategy process has identified a number of emerging priorities

- Programming genre priorities
- Regional strategy
- Specialty channel strategy
- Digital strategy
- Advertising/monetization full potential
- EN & FR operating cost efficiency (production & support)
- Capital assets & production culture

These will be discussed further at the next board meeting in June

- Considerable work has been undertaken and progress made in each of these seven areas
- The strategic committee of the Board is in the midst of reviewing this progress and providing their further input
- Analytic findings and strategic recommendations across a number of these topics to be discussed further at the next Board meeting

Next steps

- **June Board meeting: June 22/23**
  - -Continued review of corporate strategic plan elements
  - -Update from Leaders' Forum discussions
  - -Summary of implementation priorities and next steps

- **September Board meeting: Sep 21/22**
  - -Present integrated strategy recommendation
  - -Seek Board approval

Real Estate Committee

May 12, 2010

Subject matter

Real Estate Infrastructure

Background

The Committee was constituted in November 2009. The Committee needs to be informed regarding the status of the Real Estate portfolio.

Information on the matter

This presentation on CBC/SRC Real Estate Infrastructure is to provide the Committee with an overview of the challenges, opportunities and funding implications for the Corporation Real Estate portfolio and how they are being addressed.

For decision		For information	X

Prepared by

Name: Maryse Bertrand
Date: April 26, 2010

Management recommendation

N/A

Last discussed at the Board

Date: N/A
Decision made:

Next steps

N/A

Presentation on Real Estate Infrastructure

Challenges, Opportunities & Capital Funding Implications

CBC/Radio-Canada Real Estate Services

May 2010

Agenda

SITUATION

- Real Estate Portfolio
- Facility Management SNC-Lavalin O&M
- Historical Funding
- Maintenance Situation Overview
- Property Reinvestment Priorities
- Using the FCI as a Benchmark
- National Locations
- Regional Locations
- Risk Analysis & Management Model

CHALLENGE

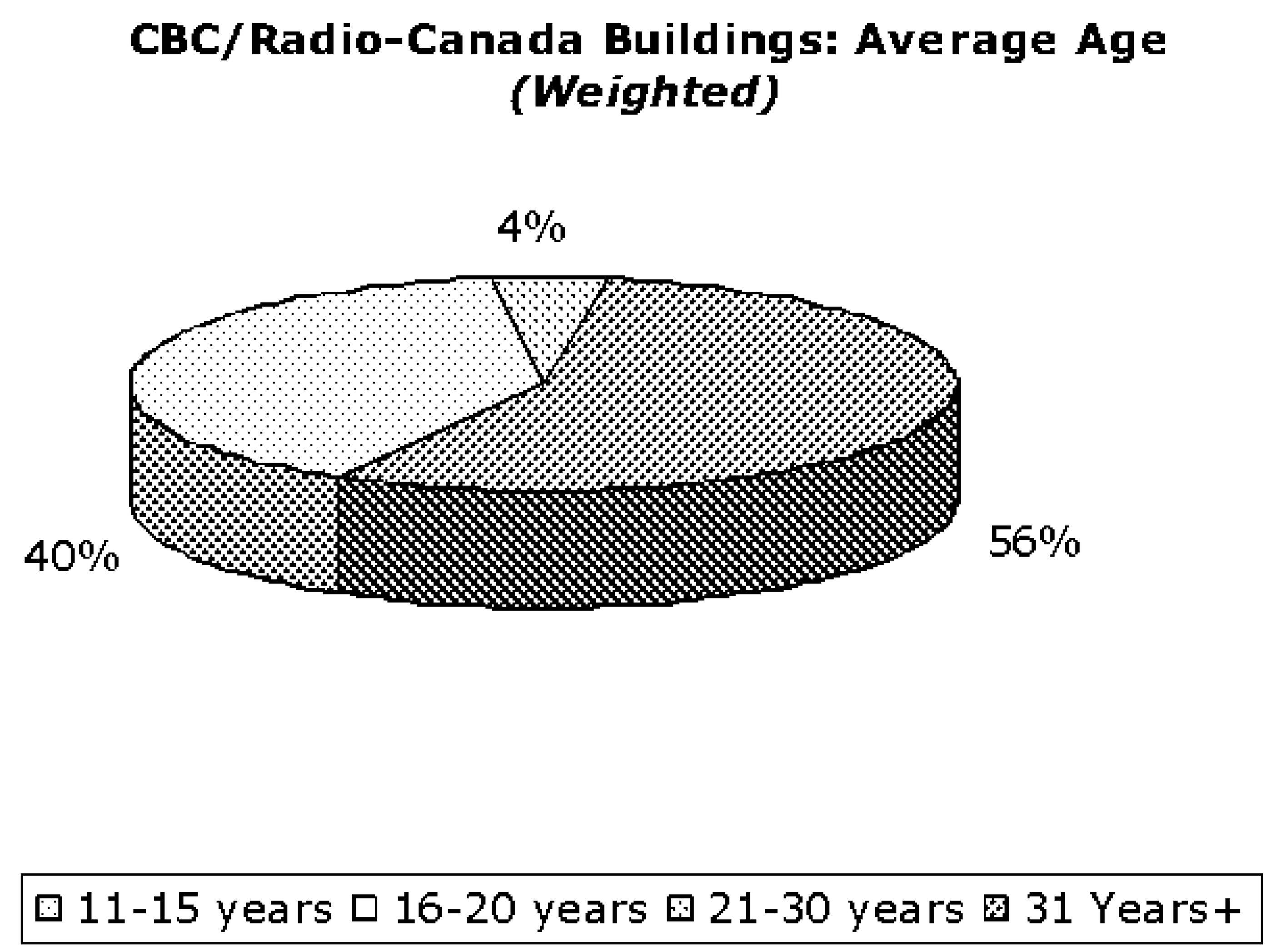
- Investment Required to Stabilize Maintenance Situation

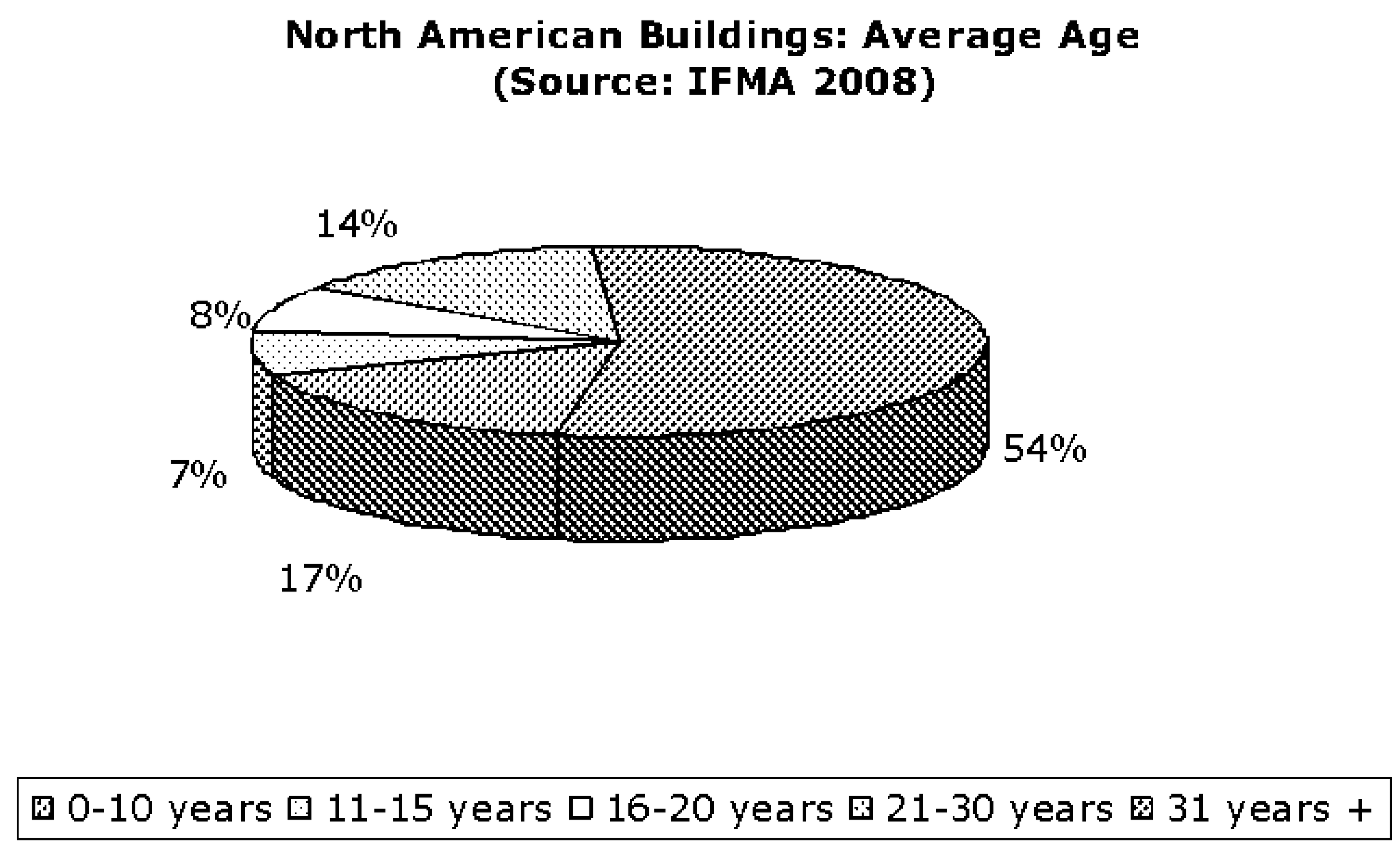
SOLUTIONS

- Consolidation & Redevelopment Projects
- Accelerated Infrastructure Program
- Increase Leasing Opportunities

Real Estate Portfolio

- CBC/Radio-Canada's real estate portfolio comprises 27 owned properties and 54 leased properties.
- CBC/Radio-Canada's real estate portfolio is aging and represents an increasing maintenance challenge for the corporation.





- While it owns no buildings less than 10 years old (17% in market), the age of CBC/Radio-Canada's portfolio is roughly comparable to the market.

Facility Management SNC-Lavalin O&M

SITUATION Real Estate Portfolio
SITUATION Facility Mngt SNC-Lavalin O&M
SITUATION Funding & Mntnce
SITUATION Priorities
SITUATION FCI Benchmark
SITUATION FCI National
SITUATION FCI Regional
SITUATION Risk Analysis
CHALLENGE Investment Required
SOLUTIONS Projects
SOLUTIONS AIP & Leasing

Background

-
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Facility Management SNC-Lavalin O&M

Scope of Services

- **Property Management**
  - Repair and Maintenance
    (heating/cooling, building systems, life safety equipment, generators, etc.)
  - Utilities (management and payment of utilities)
  - Service Properties (cleaning, snow removal)
  - Call Centre (service call receipt and dispatch)
  - Asset Management Support (Building condition report)
  - Information Management

- **Project Management (capital, non-recurring, churn)**

- **Leasing & Lease Administration**
  - Prime interface with tenants
  - Review and payment for landlord provided services

Facility Management SNC-Lavalin O&M

Business Process

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Facility Management SNC-Lavalin O&M

SITUATION Real Estate Portfolio

SITUATION Facility Mngt SNC-Lavalin O&M

SITUATION Funding & Finance

SITUATION Priorities

SITUATION FCI Benchmark

SITUATION FCI National

SITUATION FCI Regional

SITUATION Risk Analysis

CHALLENGE Investment Required

SOLUTIONS Projects

SOLUTIONS AIP & Leasing

Benefits – Cost

-
-
-

Benefits – Service

s.18(b)

- Introduction of several innovations and enhancements:
  - Performance management regime where deductions can be applied if SNC-Lavalin O&M does not achieve pre-established targets
  - Clearly laid out and documented services levels
  - Centralized Call Centre receipt and dispatch
  - Remote monitoring
  - Energy efficiency projects
  - Consolidation initiatives
  - Market surveys, site selection, etc.

Historical Funding

SITUATION Real Estate Portfolio

SITUATION Facility Mngt SNC-Lavalin O&M

SITUATION Funding & Mntnce

SITUATION Priorities

SITUATION FCI Benchmark

SITUATION FCI National

SITUATION FCI Regional

SITUATION Risk Analysis

CHALLENGE Investment Required

SOLUTIONS Projects

SOLUTIONS AIP & Leasing

- Through the outsourcing agreement with SNC-Lavalin O&M, CBC/Radio-Canada has spent approximately per year on preventative maintenance of its real estate assets.

- Between 2001 and 2009, CBC/Radio-Canada has **invested an average of** per year in Capital and Non-Recurring funds for real estate assets (excluding re-development, churn and broadcast engineering projects).

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

Maintenance Situation Overview

s.18(a)
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- SITUATION Real Estate Portfolio
- SITUATION Facility Mngt SNC-Lavalin O&M
- **SITUATION Funding & Mntnce**
- SITUATION Priorities
- SITUATION FCI Benchmark
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- SOLUTIONS AIP & Leasing

Operating Costs per Square Foot: CBC/Radio-Canada Versus Public and Private Sector 2008-2009

Source: 2009 BOMA Experience Exchange Report

Private Sector Public Sector CBC / Radio-Canada

Maintenance Situation Overview

s.18(b)

SITUATION
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Facility Mgmt
SNC-Lavalin O&M

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SOLUTIONS
AIP & Leasing

2008 Satisfaction Survey Results*: CBC/Radio-Canada Versus Public and Private Sector

* 2,435 Respondents

Private Sector / Public Sector / CBC / Radio-Canada

N.B.: Next survey to be held in 2010-2011

Maintenance Situation Overview (cont.)

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

- A "**maintenance deficit**" is defined as:
  - "The total dollar amount of required major maintenance repairs and replacements identified by a comprehensive facilities audit of buildings, fixed equipment and infrastructure."
    (Source: Plant Management, page 484, published by APPA*).

* Previously known as the "Association of Physical Plant Administrators"

Property Reinvestment Priorities

- Capital and non-recurring **budgets are applied based on the following priorities and on a risk analysis** performed on individual elements within each category:

  A. Health & Safety – funded based on risk analysis.

  B. Laws, Codes & Regulations – funded based on risk analysis.

  C. Ensure Broadcast without Interruption – funded only on an exceptional basis or through emergency funds.

  D. Asset Safeguarding – not funded.

  E. Public Image – not funded.

Using the FCI as a Benchmark

- SITUATION Real Estate Portfolio
- SITUATION Facility Mngt SNC-Lavalin O&M
- SITUATION Funding & Mntnce
- SITUATION Priorities
- **SITUATION FCI Benchmark**
- SITUATION FCI National
- SITUATION FCI Regional
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- **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 = $\dfrac{\text{Current Amount of Maintenance Deficit}}{\text{Current Building Replacement Value}}$

- First published in the US in 1991, the FCI is gaining wider acceptance and is used by the U.S. Government Accounting Office, the City of Montreal, PWGSC, Ontario & Quebec Universities, Loto-Québec, Société immobilière du Québec.
  - Ontario Universities: FCI of 10% (2005 Auditor Report)
  - Quebec Universities: FCI of 21% (2008 Report of "Conférence des recteurs et des principaux des universités du Québec" - CREPUQ)
  - Société immobilière du Québec: FCI of 5% (SIQ - Report of Conseil en immobilisation & Management - CIM)
  - City of Montréal: FCI of 20% (2000 Auditor Report)
  - Québec - réseau de santé: FCI of 20% (2009 Auditor Report)

- **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

s.18(b)

* Developed in 1980s by US Navy & first published in 1991 by National Association of College & University Business Officers (NACUBO)

Using the FCI as a Benchmark (cont.)

SITUATION
Real Estate Portfolio

SITUATION
Facility Mngt
SNC-Lavalin O&M

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- Industry practices indicate that a high FCI leads to a large volume of work carried out in emergency mode.
-
- If equipment is not repaired or replaced on a timely basis:
  - Risk of broadcasting service disruption;
  - Increased pressure on maintenance and technical resources;
  - Increased costs.
- FCI is an indicator that helps us track our maintenance situation overall and by building (i.e., FCI greater than 30%).

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

* U.S. Army Corps of Engineers. Development of the Builder Engineered management System for Building Maintenance, July 1991. ** De Sitter's Law of Fives, Mackenzie, November 2013

National Locations: FCI (%) & Maintenance Deficit ($)

SITUATION
Real Estate Portfolio

SITUATION
Facility Mngt
SNC-Lavalin O&M

SITUATION
Funding & Mntnce

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FCI National

SITUATION
FCI Regional

SITUATION
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Regional Locations: FCI (%) & Maintenance Deficit ($)

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FCI Benchmark

SITUATION
FCI National

**SITUATION
FCI Regional**

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AIP & Leasing

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s.18(b)

- FCI is only a relative measure of maintenance deficit to replacement value.
- Further analysis from a risk perspective is required to establish **funding priorities based on overall risk to operations.**

Risk Analysis & Management Model

- The risk analysis methodology, performed by management since 2009, combines the two key elements of risk weighted on a scale of 1 to 5:
  - **Impact** or severity of loss: from **Insignificant (1)** to **Severe (5).**
  - **Likelihood** or probability of loss: from **Rare (1)** to **Almost Certain (5)**.
- This analysis is performed with respect to **each** material piece of **building** and **equipment.**
- If elements present a risk factor of **12 or above** they should receive priority funding.
- Based on the analysis, national and regional locations that should receive priority funding are

- We continue to refine the risk analysis and management process as we undertake projects.

Likelihood		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Severe
5	Almost certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Possible	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5

Impact

Green = Low
Yellow = Medium
Orange = High (Major)
Red = Critical

s.18(b)

Investment Required to Stabilize Maintenance Situation

SITUATION
Real Estate Portfolio

SITUATION
Facility Mngt
SNC Lavalin O&M

SITUATION
Funding & Mntnce

SITUATION
Priorities

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FCI Benchmark

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FCI National

SITUATION
FCI Regional

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SOLUTIONS
AIP & Leasing

-
- The amount of non-recurring and capital projects should be reviewed annually to take into consideration new or increased risks, mitigation solutions and changes in estimates (up and down).
-

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

Investment Required to Stabilize Maintenance Situation (cont.)

SITUATION
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Facility Mngt
SNC-Lavalin O&M

SITUATION
Funding & Mntnce

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Priorities

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FCI Regional

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Risk Analysis

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SOLUTIONS
AIP & Leasing

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Allocation of [redacted] Investment Forecast Next [redacted] National Locations

SITUATION
Real Estate Portfolio

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Facility Mngt
SNC-Lavalin O&M

SITUATION
Funding & Mntnce

SITUATION
Priorities

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FCI National

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FCI Regional

SITUATION
Risk Analysis

**CHALLENGE
Investment
Required**

SOLUTIONS
Projects

SOLUTIONS
AIP & Leasing

CBC Radio-Canada

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Allocation of Investment Forecast Next Regional Locations

**Investment Required 2010 – 2012: Regional Locations
(Forecast)**

Consolidation and Redevelopment Projects

-
-
- Consolidation and redevelopment projects in Halifax and Montreal would alleviate the increased funding pressure.

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

Accelerated Infrastructure Program

- SITUATION Real Estate Portfolio
- SITUATION Facility Mgmt SNC-Lavalin O&M
- SITUATION Funding & Mntnce
- SITUATION Priorities
- SITUATION FCI Benchmark
- SITUATION FCI National
- SITUATION FCI Regional
- SITUATION Risk Analysis
- CHALLENGE Investment Required
- SOLUTIONS Projects
- **SOLUTIONS AIP & Leasing**

- CBC/Radio-Canada has made an application for approx funding from the Federal Accelerated Infrastructure Program (AIP).
  - Approx. of the were allocated towards reducing the deferred maintenance amount and reducing the FCI.
  - Application reviewed and supported by Heritage but will not be considered by Infrastructure Canada.

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

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

Increase Leasing Opportunities

SITUATION
Real Estate Portfolio

SITUATION
Facility Mngt
SNC Lavalin O&M

SITUATION
Funding & Finance

SITUATION
Priorities

SITUATION
FCI Benchmark

SITUATION
FCI National

SITUATION
FCI Regional

SITUATION
Risk Analysis

CHALLENGE
Investment Required

SOLUTIONS
Projects

SOLUTIONS
AIP & Leasing

•

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

Increase Leasing Opportunities (cont.)

- SITUATION Real Estate Portfolio
- SITUATION Facility Mngt SNC-Lavalin O&M
- SITUATION Funding & Mntnce
- SITUATION Priorities
- SITUATION FCI Benchmark
- SITUATION FCI National
- SITUATION FCI Regional
- SITUATION Risk Analysis
- CHALLENGE Investment Required
- SOLUTIONS Projects
- **SOLUTIONS AIP & Leasing**

Board of Directors

May 11, 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 April 20, 2010. The approved reference levels for 2011-2012 and beyond are also provided.

Information on the matter

See attached.

For decision ☐ **For information** ☒ X

Prepared by

Name:	Suzanne Morris
Date:	April 20, 2010

Management recommendation

Not required.

Last discussed at the Board

Date:	March 16, 2010
Decision made:	N/A

Next steps

Not required.

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

CBC'S PARLIAMENTARY APPROPRIATIONS
($ Thousands)

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Current 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 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 (Note 2)	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 3)			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 The $60 million in funding received each year since 2001/02 has not been confirmed beyond 2010/11. This funding is typically confirmed through the federal Budget process.

Note 3 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

May 11 & 12, 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:** ☒

Prepared by

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

Date: April 15, 2010

Recommendation

Not applicable

Last discussed at the Board

Date: **March 16 and 17, 2010**

Decision made:

Next steps

Industrial Relations Update for the Board of Directors' Meeting
May 11 &12, 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**	Although the collective agreement between the Corporation and UDA does not expire until November 2009, negotiations are currently underway between the two parties or Notice to bargain was received on February 15, 2010. **Two meetings have already been held with eight (8) further meetings scheduled between now and the end of June 2010.**
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 expires on July 9, 2010.** **The parties have agreed to commence bargaining in September 2010 following a first preliminary meeting to be held by June 24, 2010.**
		ENGLISH FILE	
WGC (Writers Guild of Canada) **<u>Television and Radio Agreement</u>**	**Sept. 1, 1998 – August 31, 2000** **s.18(b)** **s.21(1)(c)**	**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.

UNION	Effective Date	# of Members	Central Issues
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United Sates and Canada) (Stagehands)	**No agreement since 1994** **s.18(b)** **s.21(1)(c)**	**3**	
			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 o 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.**
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) will expire June 30, 2010. It is anticipated that this round of bargaining will review the terms

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	646
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	5,141
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	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 1, 2009 – March 31, 2012	1,335
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	380
SCFP	Syndicat canadien de la fonction publique	October 1, 2007 – September 26, 2010	662

Board of Directors
May 11-12, 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: April 15, 2010

Recommendation

Not applicable

Last discussed at the Board

Date: **March 16-17, 2010**

Decision made:

Next steps

Conseil d'administration

Les 11 et 12 mai 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 15 avril 2010

Recommandation

Sans objet.

Dernière discussion au Conseil

Date: **Les 16 et 17 mars 2010**

Décision prise:

Prochaines étapes

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

Month / Mois : March / mars 2010
(March 28, 2010 / Le 28 mars 2010)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL *	TOTAL Begin. FYR 2009/10 Début de l'exercice 2009/10 **	Variance Écart
English Services/ Services anglais	3,289	93	334	497	4,212	4,224	-12
French Services/ Services français	2,859	271	399	717	4,246	4,443	-197
Corporate/ National	924	36	143	24	1,127	1,263	-137
TOTAL	**7,072**	**399**	**876**	**1,237**	**9,584** *	**9,930** **	**-346**

* 9,584 FTE/EPT = 10,336 head count / effectifs réels.
** March 29, 2009: 9,930 FTE/EPT = 10,722 head count / effectifs réels.

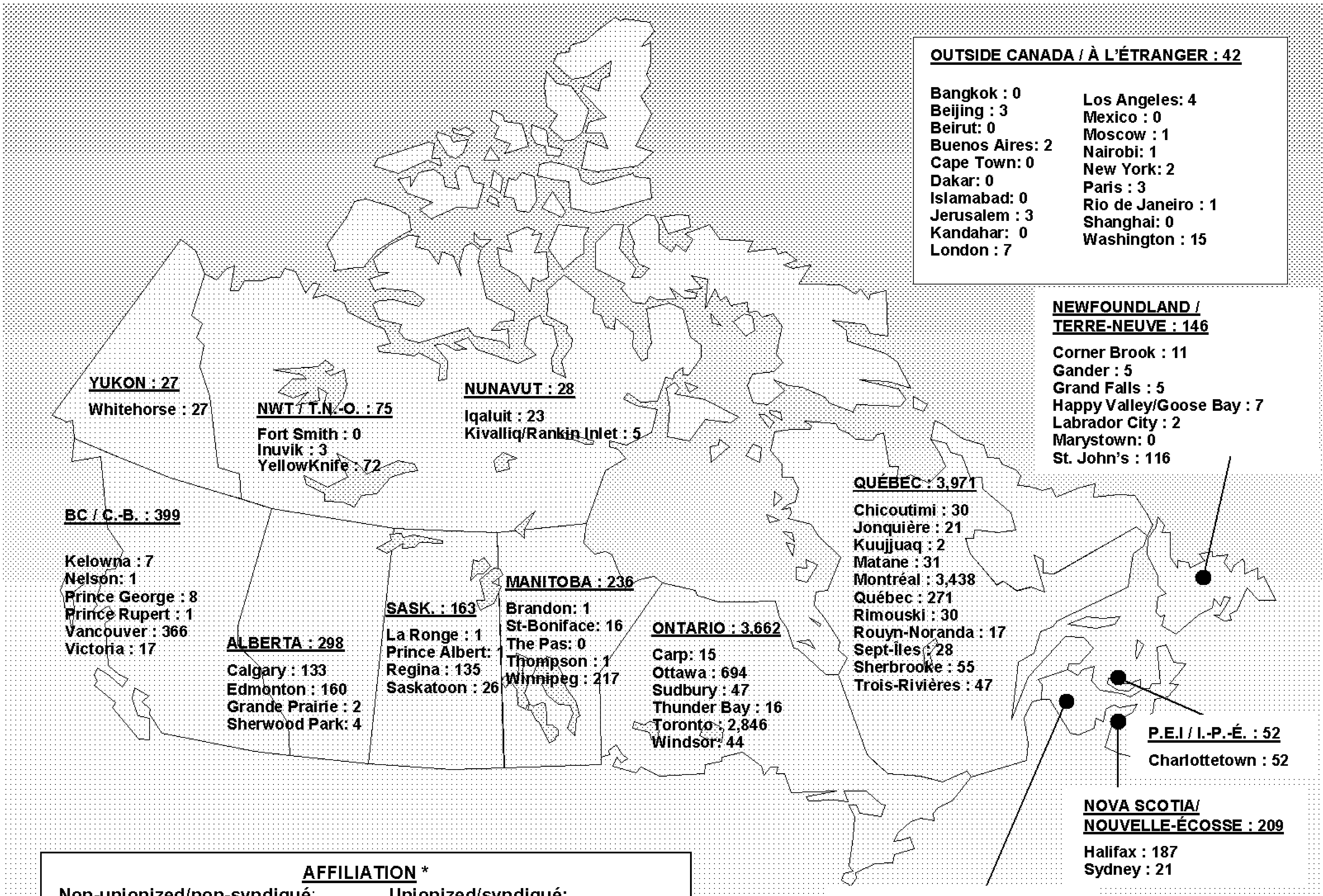
Notes:
(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.
(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /
L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.
(d) 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.

CBC/Radio-Canada Map / Carte

Full Time Equivalent / Équivalent temps plein

March 2010 / mars 2010



AFFILIATION *

Non-unionized/non-syndiqué:		Unionized/syndiqué:	
Unaffiliated:	25	APS:	693
Executives:	60	CMG:	4208
MS:	1030	SCRC:	1386
Confidential:	177	STARF:	1112
SUBTOTAL:	1,292 (13%)	SCFP:	567
		AR:	326
		SUBTOTAL	8,292 (87%)
GRAND TOTAL:	9,584		

Total FTE/ETP 9,584 = Head count / effectifs réels 10,336

* 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

Schedule A

Board of Directors
(May 11-12, 2010)

Subject matter

Annual Report 2009-2010: key texts to be included in the front section of the Annual Report, presented here in draft form for information.

Background

In November 2009, Corporate Communications provided the Board with a proposal concerning the content and direction for the 2009-2010 Annual Report. Work has furthered on the texts, design, printing specifications, and production of the Report.

Information on the matter

Please see attached draft texts.

For decision ☐ **For information** ☒

Prepared by

Name: Martine Ménard
Date: April 23, 2010

Recommendation

That Corporate Communications proceed with the production of the 2009-2010 Annual Report.

Last discussed at the Board

Date: March 2010
Decision made: Proceed with the Annual Report as proposed in November 2009.

Next steps

Continue production of the front section of the 2009-2010 Annual Report, for approval by the Board in June 2010, and for submission to the Minister of Canadian Heritage on June 30, 2010. Formal printing of the Annual Report follows the June 30th submission, and release of the document occurs after tabling in Parliament.

DRAFT

Annual Report 2009-2010

CBC/Radio-Canada

The Old Rules No Longer Apply:
Reshaping Canadian Public Broadcasting

DRAFT: May 3, 2010

DRAFT

DRAFT

Message from the President and CEO

Whenever I describe what this past year was like for CBC/Radio-Canada, I find myself using weather metaphors. I say that this year we, along with Canada's other conventional broadcasters, faced the perfect storm — an unprecedented convergence of short-term and long-term challenges.

The short-term challenges we faced were accelerated by the global economic slowdown, which caused the television advertising market to sharply decline. All conventional broadcasters suffered.

Our long-term challenges came from the broken business model underpinning conventional television broadcasting in Canada, a model that will not recover as the economy recovers. I will return to this later.

We Developed A Recovery Plan
A global economic downturn, rising costs, shifts in technology and consumer behaviour: these were factors beyond CBC|Radio-Canada's control. Our job in 2009-2010 was to effectively manage what we could control. To this end, we developed a Recovery Plan to address a 2008-2009 budget shortfall of $171 million — about 10 per cent of our total budget.

The Plan required difficult decisions: after working with our unions to minimise the impact of cuts, we eliminated close to 800 full-time positions across the Corporation and cancelled or scaled back many television and radio programs. These cuts triggered downsizing costs of approximately $50 million [confirm], for a total impact of $221 million, or 12 per cent of our budget. To fund these costs and support programming until savings from the cuts materialised, we sold certain assets.

The cuts were painful for everyone, including our audiences. Yet, we kept all of our stations open across the country, allowing us to remain strongly rooted in the regions — an essential aspect of our mandate. By working closely with our management team, employees and unions, we balanced our 2009-2010 budget while maintaining our regional presence.

Understanding Our Business and Our Audiences
An important part of the Recovery Plan was based on our projections of advertising revenues in an unstable economic context. Those projections were correct, demonstrating that we understand our operating environment.

The remarkable success of our programming, despite severe financial pressures, confirms that we also deeply understand what our audiences want and how to deliver this to them.

While other conventional broadcasters struggle to maintain audience levels, CBC Television's prime-time Canadian content continues to attract more viewers. *Heartland*, *Rick Mercer Report*, *CBC's Hockey Night in Canada*, and *Dragons' Den* regularly drew million-plus audiences, and *Battle of the Blades* — with between 1.5 and two million weekly viewers — was one of our biggest hits in recent memory.

Télévision de Radio-Canada maintained its strong position in prime time, despite ever-increasing competition from reality shows and specialty channels. *Les Parent*, *L'auberge du chien noir*, *Providence*, and *Tout le monde en parle* regularly attract audiences of one million-plus.

Our radio services continue their outstanding performance. **[Need recent ratings]**

Every month, our Internet sites draw six million visitors, who download over two million podcasts of our programs.

More of What Audiences Want
Why are we consistently attracting larger audiences, despite decreased resources? Great programming: our media teams have successfully planned and executed a multi-year renewal of our programming that is now bearing fruit.

At CBC Television and Télévision de Radio-Canada, we have shown that if you offer high-quality Canadian programs in prime time, large numbers of Canadians will watch them. Shows like *Virginie*, *Belle-Baie*, *Dragons' Den*, and *Battle of the Blades* are entertaining and engaging — but they also connect Canadians to one another and to a shared identity.

Program renewal across all of our services has been driven by feedback from our audiences. They tell us that they want to see their lives, interests and sense of identity reflected in high-quality, engaging Canadian-made programs. Canadian content is at the core of our mandate, and we offer much more of it than any other broadcaster. In contrast to the English-language private sector's programming, which is primarily American, CBC Television's prime-time schedule is overwhelmingly Canadian. Domestic programming of unmatched diversity and quality also fills the prime-time schedule of Télévision de Radio-Canada.

The recent renewal of CBC News was also based on extensive audience research. Canadians told us that they wanted access to news, in whatever format they prefer, 24 hours a day, seven days a week, as well as more live coverage and ways to contribute. We are delivering on these preferences, and will continue to refine and extend our integrated news programming across all of our platforms.

Audience needs have also driven our introduction of new services. Illustrating this is our online service, TOU.TV, created by Radio-Canada and offering free, any time, anywhere access to more than 2,000 hours of programming from Télévision de Radio-Canada and 20 other French-language public broadcasters and production companies.

Success — Yet Financial Uncertainty Remains
In the wake of last year's financial crisis, CBC|Radio-Canada is planning around a permanent budget reduction of $133 million from the 2008-2009 level, as well as other pieces of our revenue puzzle which are in transition.

In its first year of operation, the new Canada Media Fund (CMF), replacing the Canadian Television Fund (CTF), will provide CBC|Radio-Canada with $12.6 million *less* funding than previously under the CTF. The CMF forecasts a drop of about $3.7 million for Télévision de Radio-Canada and $8.9 million for CBC Television. Given this, certain independent producers will not proceed with their projects, and fewer Canadians will be exposed to original Canadian programming.

If and when the formula for measuring audience success is implemented, as originally announced by the Minister of Canadian Heritage, the Fund's emphasis on original first-run programming should benefit CBC/Radio-Canada and the independent production industry.

In 2008, the Canadian Radio-television and Telecommunications Commission (CRTC) created the Local Programming Improvement Fund (LPIF) to help support local television production. The LPIF contributed $35 million [?] to CBC|Radio-Canada in 2009-2010.

For English Services, the Fund enabled us to expand local television news by 67 per cent, adding 30 minutes to supper-hour news in every region, and a new 10-minute late-night segment following *CBC News: The National*.

French Services expanded *Le Téléjournal* from five days a week to seven in several markets. It also allowed Radio-Canada to add episodes of *Tout le monde en parlait* and create *Les Acadiens du Québec* in Moncton, *Ouest qu'on parle français* in Vancouver, *Les chefs!* in Québec City, and *Pour un soir seulement* in Winnipeg. Radio-Canada was also able to launche *Génies en herbe : l'aventure*, a quiz show taping across the country and airing nationally.

Finally, CBC|Radio-Canada was subject this year to a Government Strategic Review evaluating programs and spending to identify the lowest-priority activities representing five per cent of our Government appropriation. The Government's March 4th Budget stated that "…reallocations were not necessary as programs delivered by [CBC/Radio-Canada] are aligned with the priorities of Canadians." We are delighted with this conclusion and appreciate the Government's recognition of our services. We were also pleased with the Government's renewal of $60 million for Canadian programming for the ninth consecutive year (*Confirm*).

Fixing the Broken Business Model

This year's financial crisis clearly demonstrated that the business model for conventional television broadcasting is broken. The economic slowdown accelerated but did not cause declining television advertising revenues; with increased competition from specialty channels and other platforms, these revenues have been declining for several years. All Canadian conventional television broadcasters depend on advertising revenues; they account for between 40 and 50 per cent **[to verify]** of CBC/Radio-Canada's television budgets.

Over the past five years, the CRTC has conducted three public hearings into approaches to fixing the business model. During the most recent, CBC|Radio-Canada argued that cable and satellite companies should pay for conventional broadcasters' signals, as they do for specialty channels' signals. The Corporation also proposed mechanisms to protect consumers by increasing their choice and lowering the cost of entry-level service.

This issue concerns both economics and culture. Canada's conventional broadcasters are the major investors in high-quality Canadian television content, and of these, CBC/Radio-Canada is the most important: we invest more in the production of Canadian programming than all of the other conventional broadcasters combined, and we are the only broadcaster committed to airing that content during prime time, when most Canadians are watching.

Surprisingly, the CRTC has allowed private broadcasters to negotiate a fair value for their signals with cable and satellite companies, but has denied that same right to CBC/Radio-Canada. While the CRTC recognises our critical importance, financial reality and uncertain future, it has not suggested any means for our continuing to play our essential role in the system. We were extremely disappointed with the decision of the CRTC and are still evaluating its impact on us. What we do know is that we are left with an advertising market under severe pressure, a 30-year history of stagnant public funding punctuated by periodic major cuts and a cost base that is increasing at 6.7 per cent each year.

Building an Even Better Public Broadcaster
To manage effectively in the midst of uncertainty, CBC|Radio-Canada has focused and made considerable progress on three corporate priorities: People, because they are our key asset; Programs, because they are our core competency; and Pushing Forward, because we must adapt to challenges and exploit opportunities.

People. Over the last three years, we have successfully renegotiated collective bargaining agreements with all of our unions, with parties resolving issues with mutual respect and trust. We now have a solid foundation for improving communications and addressing issues. Good labour relations make an effective organisation and result in better programming for Canadians.

We have also continued initiatives that provide employees with the tools and knowledge to help them become more agile as they face new challenges.

Programs. We have refined our schedules to ensure that our programming remains relevant and engaging, and have continued to share resources across our media lines to create richer content for audiences, in whatever format they prefer.

Pushing Forward. To help us move strongly into the future, we are working through a strategic planning process, which we call *Driving Towards 2015*. It is intended to prepare us to meet new expectations that Canadians have of their public broadcaster in a world of continuous technical revolution, rapid shifts in consumer behaviour and an uncertain economic environment. It will bring more clarity to our choices and our allocation of scarce resources. Our Board of Directors' input ensures that we are all focused judiciously on our priorities and aligned around common strategies.

We also continue to be guided by three principles essential to meeting our mandate.

First, we must continue to be the home of Canadian content — the most important creator and broadcaster of programming that shapes the Canadian experience, tells Canadian stories, reflects our humour, and showcases our people, communities and geography.

Second, we must deliver our content across all media platforms — whenever, wherever and however audiences want it.

Finally, we must be deeply rooted in Canada's regions, reflecting local concerns and perspectives, and giving Canadians a forum for sharing stories. This regional connection is essential to our mandate, and it is why only 14 per cent of the cuts in our Recovery Plan were made in the regions.

The Future Canadians Want

In 2009-2010, we demonstrated that we understand our environment and can effectively manage our challenges and opportunities. With a new, sustainable business model for Canadian broadcasters and with a workable, ambitious long-term strategic plan, CBC|Radio-Canada can become an even stronger and more vibrant national public broadcaster. These are the main priorities for the coming year.

We will continue to shape a broadcasting revolution that is giving Canadians more choice and more opportunity to participate than ever before. And we will ensure that our audiences continue to find the diversity and richness of Canadian experience reflected in our high-quality content, whenever, wherever and however they want it.

DRAFT

Message from the Chair

The Board of Directors has played an important role during the uncertain times of 2009-2010. Along with guiding the Corporation through difficult challenges, the Board has contributed to significant discussions on, and planning for, the future of the country's national public broadcaster.

To oversee the directions of CBC/Radio-Canada, particularly as the Corporation undertakes a new, longer-term planning process, the Board struck a Strategic Planning Committee this year. The Board also closely followed the development and implementation of the Recovery Plan, which was designed to deal with the Corporation's financial crisis, and advised the Senior Executive Team on the content of, and approved, its successful submission to the Government's Strategic Review.

The Board put considerable effort into individual and group outreach activities across the country in 2009-2010. These community gatherings and round table discussions were designed to provide information to the public and to targeted stakeholders on CBC/Radio-Canada's activities; to solicit feedback; and to offer an opportunity to the public to ask us questions.

CBC/Radio-Canada held its first annual public meeting, in Ottawa, on September 23, 2010. During the meeting, members of the Board and Senior Executive Team discussed the current reality and future of the Corporation. We welcomed questions live from the public and later posted information and representative questions and answers online. Another important session was held in Vancouver during the full-day public opening celebrations for our new state-of-the-art broadcasting centre. Accountability sessions such as these are important to all parties and valuable to the Board and the Corporation, as they allow us to learn more about what Canadians want and expect from their public broadcaster.

We also said farewell to two Board members this year, Trina McQueen and Peter Herrndorf, both of whom have devoted major portions of their careers to CBC/Radio-Canada. On behalf of the Board and the Corporation as a whole, I would like to express our gratitude to them for their very valuable contributions over their terms and for their enduring commitment to the public broadcaster. At the same time, we were delighted to welcome a new member, John F. Young.

Despite the Corporation's challenging year, the Board was pleased to witness Canadians' strong endorsement of CBC/Radio-Canada's programming. Audience numbers tell us that we are providing audiences with content that they want and can find nowhere else. Clearly, Canadians do not need to be convinced that their national public broadcaster plays a unique and essential role in the social and cultural life of the country.

Tim W. Casgrain
Chair, Board of Directors

DRAFT

Board of Directors

In accordance with the *Broadcasting Act*, the Board of Directors is responsible for the management of the Corporation. The Board is made up of 12 members, including the Chair and the President and CEO, who are appointed by the Government.

Tim W. Casgrain
Chair
Toronto, Ontario

Hubert T. Lacroix
President and CEO
Montréal, Québec

Linda Black
Calgary, Alberta

Peter D. Charbonneau
General Partner
Skypoint Capital Corporation
Ottawa, Ontario

George Cooper
Senior Partner
McInnes Cooper
Halifax, Nova Scotia

The Honourable Joseph Handley
Former Premier of the Northwest Territories
Yellowknife, Northwest Territories
(until August 2009)

Peter Herrndorf
President and CEO
National Arts Centre
Ottawa, Ontario
(until February 2010)

Patricia A. McIver
Chartered Accountant
Richardson Partners Financial Limited
Vancouver, British Columbia

Trina McQueen
President
Hutton-Belleville Inc.
Toronto, Ontario
(until March 2010)

Brian R. Mitchell
Managing Partner
Mitchell Gattuso
Montréal, Québec

Rémi Racine
CEO and Executive Producer
Artificial Mind & Movement
Montréal, Québec

Dr. Edna Turpin
Executive Consultant
St. John's, Newfoundland and Labrador

Dr. John F. Young
Dean, College of Arts, Social and Health Sciences
University of Northern British Columbia
Prince George, British Columbia
(since September 2009)

Board of Directors Yearly Attendance

April 2009—March 2010

Board Member	Board (6 meetings; 10 conference calls)	Nominating and Governance (4 meetings)	Human Resources and Compensation (5 meetings; 3 conference calls)	Audit (6 meetings)	Standing (5 meetings)	Real Estate (1 meeting; 1 conference call)	Strategic Planning (2 meetings; 4 conference calls)
Tim W. Casgrain	16/16	N/A	8/8	N/A	5/5	2/2	6/6
Hubert T. Lacroix	16/16	N/A	6/6	N/A	4/5	N/A	N/A
Linda Black	15/16	4/4	3/3	N/A	5/5	N/A	2/2
Peter Charbonneau	15/16	N/A	N/A	6/6	5/5	N/A	6/6
George Cooper	15/16	4/4	N/A	N/A	4/5	N/A	2/2
Joseph Handley 1)	7/8	1/1	N/A	N/A	1/1	N/A	N/A
Peter Herrndorf 2)	10/14	3/3	N/A	N/A	3/4	N/A	4/4
Patricia McIver	15/16	N/A	N/A	6/6	5/5	2/2	N/A
Trina McQueen 3)	12/16	N/A	N/A	5/6	3/5	N/A	4/4
Brian Mitchell	15/16	N/A	N/A	6/6	5/5	2/2	N/A
Rémi Racine	14/16	N/A	8/8	N/A	4/5	2/2	5/6
Edna Turpin	16/16	N/A	7/7	6/6	5/5	N/A	N/A
John Young	7/8	2/2	N/A	N/A	4/4	N/A	N/A

This report lists attendance from April 1, 2009 to March 31, 2010.

1) Joseph Handley resigned August 19, 2009.
2) Peter Herrndorf resigned February 10, 2010.
3) Trina McQueen resigned March 30, 2010.

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Governance

Highlights

Changes in the Board Membership

Here are the particulars of the changes in the Board during the year:

John F. Young, of Prince George, British Columbia, was appointed to replace the Hon. Joseph Handley of Yellowknife, Northwest Territories, who resigned on August 19, 2009.

Peter Herrndorf, of Ottawa, Ontario, resigned on February 10, 2010, following the expiry of his term as a Board member.

Trina McQueen, of Toronto, Ontario, resigned on March 30, 2010, following the expiry of her term as a Board member.

Board Committees

Standing Committees on English- and French-language Broadcasting
These Committees are established pursuant to Section 45 of the *Broadcasting Act.* Their mandate is directed to monitoring the fulfilment by the Corporation of its French- and English-language broadcasting responsibilities and its overall mandate, as set out in the *Act*.

Audit Committee
The Audit Committee mandate includes oversight of the integrity of the Corporation's financial information and reporting, the framework of internal controls and risk management, and the audit process.

Nominating and Governance Committee
The Nominating and Governance Committee mandate centres on the Board's governance framework, supporting guidelines and processes. Topics covered include: Terms of Reference for the Board, the Board Chair, the President and CEO, individual Directors, and Board Committees; the process for Board assessment; Board succession; Board orientation and training; and Code of Conduct and Conflict of Interest rules for Directors.

Human Resources and Compensation Committee
The Human Resources and Compensation Committee has oversight responsibility with respect to all aspects of the Corporation's Human Resources strategies, including Human Resources policies, executive compensation, succession planning, industrial relations, health and safety, and the environment.

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Real Estate Committee
The Real Estate Committee has oversight responsibility with respect to real estate strategic directions, policies and significant real estate projects, transactions and related initiatives involving CBC/Radio-Canada facilities.

Strategic Planning Committee
The Strategic Planning Committee has oversight responsibility with respect to the overall strategic direction of the Corporation, with specific reference to the 2010 long-term strategic planning process.

Director Compensation

The current rules for Director Compensation are as follows:

The Chair of the Board is compensated in accordance with the terms of the Order-in-Council appointing him/her.

Directors (excluding the Chair of the Board and the President and CEO) receive meeting fees for attendance (in person) at Board and Committee meetings in accordance with the following fee schedule:

Board	$2,000 per meeting (to a maximum of six meetings per year)
Audit Committee	$1,300 per meeting (to a maximum of six meetings per year)
All other Committees	$1,000 per meeting (to a maximum of four meetings per year)

For additional meetings of the Board or a Committee over and above the maximum number indicated above, the meeting fee is $625 per meeting.

For conference call meetings of the Board or a Committee, the meeting fee is $250.

Directors are entitled to receive only one meeting fee for each day (24 hours) even if they attend more than one meeting during that period.

Directors do not receive an annual retainer for serving as a Board member of CBC/Radio-Canada.

For 2009-2010, the total amount paid in Director compensation was $172,650.00.

Public Accountability

CBC/Radio-Canada has an obligation to report to Canadians on the fulfilment of its commitments. This is accomplished using a variety of communications channels and vehicles.

Annual Public Meeting

On September 23, 2009, CBC/Radio-Canada held its annual public meeting (APM) in Ottawa. This meeting was one aspect of an overarching public meetings initiative developed by the Corporation and approved by the Board of Directors. The APM was also in line with the expectation of the Government of Canada and the Treasury Board Secretariat that each Crown Corporation hold such a meeting to share information and solicit feedback from the public. Crown Corporations are given significant flexibility regarding the nature and scope of an APM, as well as its location and timing.

Participating in our APM were the President and CEO, the Chair and members of the Board of Directors, and the Senior Executive Team of the Corporation, who spoke about the current state of CBC/Radio-Canada and its future. Guests in the audience, as well as online, had their questions answered live. Additional questions and answers were later posted on the corporate website, along with the recorded webcast and information from the presentations.

We will hold our next APM in autumn 2010. As last year, the meeting will be accessible live to the public who may join us in the designated studio or via our online webcast. Once again, we will advise the public about the upcoming APM through advertising and our online services.

Open and Transparent

CBC/Radio-Canada also accounts for its activities through the Minister of Canadian Heritage and Official Languages to Parliament, through its Annual Report and Corporate Plan Summary, to the Canadian Radio-television and Telecommunications Commission (CRTC) through year-end reports and annual financial returns, and to stakeholders through ongoing dialogue and interaction and CBC/Radio-Canada websites.

Here are examples of reporting instruments:

- Annual Report of CBC/Radio-Canada to the Canadian Radio-television and Telecommunications Commission (CRTC)
- Annual Reporting to Parliamentary Committees (Canadian Heritage, Official Languages, Public Accounts, Senate Committees)
- CBC/Radio-Canada Corporate Plan and Corporate Plan Summary
- CBC/Radio-Canada Annual Report

- Auditor General Special Examination Report
- Auditor General Annual Attest Audit
- Annual Report to the Department of Human Resources and Skills Development Canada (HRSDC) Employment Equity
- Implementation of Section 41 of the *Official Languages Act* Report
- Public Accounts of Canada
- Posting of business travel and hospitality expenses of Chair, President and Vice-Presidents on corporate website

Journalistic Standards and Practices

CBC/Radio-Canada has an extensive code of Journalistic Standards and Practices and solid editorial control mechanisms to guide its employees and to ensure that those working on its programming remain balanced and accurate in their on-air perspectives and reporting. Complaints from the public that are not resolved at the program level to the satisfaction of the complainants are examined and dealt with by the Corporation's two independent Ombudsmen.

In 2009-2010, the offices of the Ombudsmen (English Services and French Services combined) handled a total of 3,093 complaints, expressions of concern and other communications. There were 2.028 concerning English Services programming and 1,065 concerning French Services programming. On the English Services side, 1,204 communications fell within the mandate of the Ombudsman (news and current affairs programming), while there were 652 on the French Services side. Communications not directly related to CBC/Radio-Canada news and current affairs programming were acknowledged and forwarded to the programming departments concerned.

The Ombudsmen are completely independent of CBC/Radio-Canada programming staff and programming management and report directly to the President of the Corporation and, through the President, to the Corporation's Board of Directors. The role of the Ombudsman is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians. The Ombudsmen can be reached at:

The Ombudsman, English Services, CBC/Radio-Canada, PO Box 500, Station A, Toronto ON M5W 1E6 (ombudsman@cbc.ca); and,

Bureau de l'ombudsman, Services français, CBC/Radio-Canada, CP 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

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Codes of Conduct

CBC/Radio-Canada employees at all levels and across the Corporation are expected to adhere to the Code of Conduct and policies governing their behaviour in such areas as: conflict of interest and ethics; disclosure of wrongdoing; official languages; harassment; and political activity. The Corporation's Human Resources policies are available for viewing online at: http://www.cbc.radio-canada.ca/docs/policies/index.shtml.

Access to Information

CBC/Radio-Canada became subject to the *Access to Information Act* on September 1, 2007. Section 68.1 of the legislation contains specific safeguards to protect the journalistic, creative and programming independence that is fundamental to a successful national public broadcaster. Similar protection has been afforded to other public broadcasters, such as the British Broadcasting Corporation and the Australian Broadcasting Corporation, under comparable legislation in those jurisdictions.

Since September 1, 2007, CBC/Radio-Canada has received more than 1,000 requests for records. Responding to this volume of requests has posed a significant challenge, and steps have been taken to allow the Corporation to meet its obligations under the legislation.

Here are the details: from September 1, 2007 to March 31, 2008, 547 requests were received. From April 1, 2008 to March 31, 2009, there were 221 requests received. From April 1, 2009 to March 31, 2010, [247] requests were received. At the end of its first year under the legislation, given the larger-than-expected number of requests, the Corporation carried over 323 requests; at the end of its second year, 108 were carried over, and at the end of its third year, 40 were carried over.

The Corporation is continuing its efforts to provide timely responses to requests, as efficiently and effectively as possible.

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CBC/Radio-Canada Services

CBC/Radio-Canada is the only Canadian broadcaster delivering a comprehensive range of radio (commercial-free), television, Internet, and satellite-based services to Canadians, in English, French and eight Aboriginal languages. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, however and wherever they want it.

English Services

CBC Radio One (news, current affairs, arts, and culture via radio and Sirius Satellite Radio Channel 137)
CBC Radio 2 (classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters, Canadian Composers)
CBC Radio 3 (emerging Canadian music via the Internet, podcast, and Sirius Satellite Radio Channel 86)
CBC News (Canada's largest, most-trusted news organisation)
CBC Television (news, information, sports, and entertainment)
CBC News Network (continuous news and information via television)
bold (drama, comedy, performing arts, and sports coverage)
documentary (Canadian and international documentaries, films and series)
CBC.ca (news, information, streaming video and audio, sports highlights, Web features, and multimedia archives)

French Services

Première Chaîne (information and cultural programming via radio)
Espace musique (classical, jazz, vocal, world, and emerging music via radio)
Bande à part (popular and alternative French-language music via Espace musique, the Internet, podcast, and Sirius Satellite Radio Channel 87)
Espace classique (customised classical music via the Internet)
Espace jazz (customised jazz via the Internet)
Espace monde (customised world music via the Internet)
Première plus (news, current affairs and culture, in partnership with Radio Canada International and Radio France International, via Sirius Satellite Radio Channel 94)
Sports extra (sports information and analysis via Sirius Satellite Radio Channel 96)
Télévision de Radio-Canada (news, current affairs, drama, culture, and programming for children and youth)
Réseau de l'information de Radio-Canada (RDI) (continuous news, information and current affairs via television)
TOU.TV (on-demand Web television, created by Radio-Canada, featuring programming from 20 national and international producers and broadcasters)

ARTV (arts and culture)
TV5MONDE (programming featuring diverse cultures and perspectives, from 10 broadcast partners, including Radio-Canada)
Radio-Canada.ca (news, information, streaming video and audio, and Web features)

Combined Services

Radio Canada International (Canadian information and culture in seven languages via the Internet, digital and analogue shortwave, satellite, and partner stations worldwide)
RCI viva (Web radio in seven languages featuring information for new and aspiring Canadians)
RCI plus (programming in seven languages from Radio Canada International and national and international partners via Sirius Satellite Radio Channel 95)
CBC North (linking Canada's northern communities via radio and television, in English, French and eight Aboriginal languages)
CBC News Express/RDI Express (bilingual news and information service in five large Canadian airports, serving over 62 million travelers annually)
CBC Records/Les disques SRC (label recording Canadian musicians and releasing about eight CDs annually)
Mobile Services/Services mobiles (programming for mobile and iPhone sites, SMS alerting services, including CBC News Network and RDI as live streams and on-demand videos)
CBC Mobile Productions/Les Productions mobiles de Radio-Canada (services for in-house production, and generating programming revenue by selling excess capacity)

Key Performance Indicators

Measuring Performance

CBC/Radio-Canada uses a performance measurement system that links measures of performance to the Corporation's priorities. This system allows the Government and Canadians to examine CBC/Radio-Canada's annual performance results, its performance against targets, as well as performance trends.

In addition to these indicators, CBC Radio-Canada's main networks use programming indicators to assess performance against targets.

New Corporate Priorities: People, Programs and Pushing Forward

CBC/Radio-Canada introduced a new strategic framework in 2008-2009, arrived at through extensive consultation with employees and the Senior Executive Team, and through consideration of the findings from an in-depth review of the environment in which the Corporation operates. This input clearly pointed to the need to focus on three key issues: people — our key asset; programs — our core competency; and pushing forward — to meet current challenges and exploit opportunities.

The following pages contain our key performance indicators and our media lines' targets and results.

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Corporate Measures of Performance

Corporate Priority	Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
PEOPLE	**CBC/RADIO-CANADA USAGE BY VISIBLE MINORITY (18+)**[1]	87%	81%	
	VISIBLE MINORITY STAFF[2]	556	535	
	COMMITMENT TO TRAINING AND DEVELOPMENT	$1,015 per employee	$1,035 per employee	

1 As of 2007-2008, the Corporation has adopted the definition used by Statistics Canada.
2 Excludes short-term employees up to December 31, 2009.

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Corporate Measures of Performance

Corporate Priority	Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
PROGRAMS	**CANADIAN CONTENT**[1]			
	CBC Television			
	Broadcast day	75%[2]	81%	
	Prime time (Monday-Sunday, 7:00-11:00 p.m.)	80%[2]	81%	
	Télévision de Radio-Canada			
	Broadcast day	75%[2]	80%	
	Prime time (Monday-Sunday, 7:00-11:00 p.m.)	80%[2]	91%	
	CBC Radio			
	Broadcast day	99%	99%	
	Prime time (Monday-Friday, 6:00-9:00 a.m.)	100%	100%	
	Radio de Radio-Canada			
	Broadcast day	99%	99%	
	Prime time (Monday-Friday, 6:00-9:00 a.m.)	100%	100%	
	DISTINCTIVENESS			
	Main television and radio networks	90%	89%	
	PROGRAMS PRODUCED IN REGIONS FOR REGIONS	80,700 hours	80,831 hours	
	PROGRAMS PRODUCED IN REGIONS FOR NETWORK	11,900 hours	8,589 hours	
	EXPENDITURES ON CANADIAN PROGRAMMING	93% of programming budget	On target	
	PROGRAMMING EXPENDITURES	79% of total budget	On target	
	EXPENDITURES ON CROSS-MEDIA PROGRAMMING	$7.4 million	On target	
	CANADIANS' SATISFACTION LEVELS WITH MAIN TELEVISION AND RADIO NETWORKS	89%	88%	

1 Based on previous broadcast year.
2 CRTC expectations.

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Corporate Measures of Performance

Corporate Priority	Indicators	2009-2010 Targets	2009-2010 Results	2010-2011 Targets
PUSHING FORWARD	**SELF-GENERATED REVENUES**[1]	$105.9 million	To be exceeded	
	REVENUE GENERATED FROM NEW PLATFORMS[2]	Increase of 15%	Over target	
	INVESTMENT IN NEW PLATFORMS	Increase of 3%	Over target	

1 Excludes television and Internet advertising revenues.

2 New platforms include all content available to watch and/or listen to on the Internet or mobile devices, such as cell phone, video iPod/MP3 player or PlayStation portable (PSP).

Media Lines' Targets and Results

English Services

CBC/Radio-Canada's English Services comprise CBC Television, CBC News Network, **bold**, *documentary* (majority controlled), CBC Radio One, CBC Radio 2, CBC Radio 3, and multiple digital platforms including *CBC.ca*. CBC content is also available on new platforms through key partnerships created by the Corporation with content distributors.

All of these services report to the Executive Vice-President for English Services, allowing an integrated approach to strategic and business planning, sharing of resources and programming across the media lines, and the achievement of savings and synergies.

The year 2009-2010 was a challenging one for English Services, in light of the continued slump in advertising revenues experienced by the broadcast industry. This loss of funding affected English Services' ability to maintain existing service levels and forced it to reduce staffing levels and other expenditures.

Despite these financial challenges, English Services met or surpassed the majority of its performance targets for the year. CBC Radio One matched its highest-ever national audience share (11.1 per cent) while CBC Television increased its 2+ regular season, prime-time share from 8.6 per cent in 2008-2009 to 9.**x** per cent in 2009-2010 [footnote to explain change from Mark II to PPM measurement system?]. At the same time, CBC Television's prime-time schedule continued to beat a key competitor's predominantly foreign prime-time schedule by more than half a share point. [confirm]

ENGLISH SERVICES' STRATEGIC OBJECTIVES

English Services continued its commitment to offer high-quality and engaging Canadian programming to a wide audience. English Services' goal is to provide Canadians with programming they want — where, when and how they want it. In order to increase the value of CBC services to Canadians, as measured by usage, four strategic objectives were established for the year:

- Maintain CBC Radio One share and grow CBC Radio 2 share.
- Maintain CBC Television share.
- Continue news renewal and strengthen position in the regions.
- Invest in new platforms.

To measure the success of English Services as an integrated content company, CBC set out six main performance indicators, as shown in the following table. The goal of serving Canadians is represented by four of these indicators measured by audience share for the conventional television and radio networks and ranking in new platforms, indicating the extent of usage by the public. Distribution of specialty television services, CBC News Network (formerly CBC Newsworld), **bold** and *documentary*, is also key to providing this content to Canadians. Success in these measures demonstrates how CBC's distinctive, high-quality and popular programming both resonates with Canadians and fulfils CBC's mandate to inform, enlighten and entertain.

In order to pursue these strategic priorities, sound financial management is required to ensure appropriate resources are available for Canadian programming. CBC earns substantial self-generated revenues in the competitive marketplace (through advertising, subscription and other initiatives) which, when added to Government appropriations, permits the Corporation to offer Canadian content to the extent that it currently does. Furthermore, prudent cost management is another cornerstone to ensure maximum resources are directed to programming on all platforms (television, radio and new platforms).

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ENGLISH SERVICES' PERFORMANCE INDICATORS

Performance Indicators		2009-2010 Targets	2009-2010 Results	2010-2011 Targets
RADIO SHARE (12+ fall survey S4)	Combined	13.5%	13.8%	
TELEVISION SHARE (2+ regular season)	CBC Television (prime time) CBC News Network (all day)	8.5% 1.4%	9.5% 1.0%	
NEW PLATFORMS (2+ comScore uniques)	News and media site (English) Sports destination	Number 1 Number 2	Number 1 Number 2	
REVENUES (conventional, specialty and online)	Total revenues	$292 million	$291 million	
SUBSCRIBER COUNT	CBC News Network **bold** *documentary*	10.52 million 1.06 million 1.24 million	10.72 million 1.07 million 1.28 million	
COSTS[1]	Total costs	$766.3 million	$778.8 million	

1 English Services including The Documentary Channel at 100%.

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ENGLISH SERVICES' FUTURE DIRECTIONS

Grow Television share and audiences

- Continue past success in addressing English Canada's most significant cultural challenge: the absence of Canadian entertainment programming (especially in prime time) that Canadians want to watch.
- Continue to focus on successful format and series programs.
- Continue commitment to documentaries in prime time (and on the dedicated *documentary* specialty service).
- Continue to focus on professional and amateur sports of importance to Canadians (hockey, FIFA, skiing, curling).

Grow CBC Radio One share and grow CBC Radio 2 share

- Continue CBC Radio One program redevelopment in the key regional communities.
- Evolve the program development process to emphasise multi-platform opportunities and develop break-out shows.
- Evolve the CBC Radio 2 service in the context of English Services' overall music strategy.
- Develop a sustainable audience demographic mix and broaden the reach for CBC Radio 2.
- Monetise off-air content.

Continue news renewal and strengthen our position in the regions

- Increase, broaden and diversify audiences to CBC News on all platforms (television, radio and new platforms).
- Increase personal relevance for, and engagement with, audiences.
- Provide service to Canadians on all platforms in an appropriate manner.
- Continue elevated level of local content begun in 2009-2010.

Invest in new platforms

- Continue to enhance *CBC.ca* functionality, quality and media player and social media capabilities.
- Continue to migrate CBC content (television, radio) to the online space.
- Continue to partner with best in class in the industry to provide as wide a footprint of CBC content as possible.

Value our people as our greatest resource

- Reflect Canada's diversity through a long-term diversity strategy.
- Ensure that the workforce is engaged, and facilitate corporate cultural change.
- Continue to build a positive long-term union-management relationship.

Media Lines' Targets and Results

French Services

CBC/Radio-Canada's French Services comprise Télévision de Radio-Canada, Réseau de l'information de Radio-Canada (RDI), Première Chaîne, Espace musique, Espace jazz, Espace classique, Espace monde, Bande à part, Radio Canada International (RCI), *Radio-Canada.ca*, and TOU.TV. All of these services report to the Executive Vice-President for French Services. This integrated approach facilitates the development of a global vision of French Services that recognises the individual strengths and distinctive character of each media line while promoting the overarching goal of improving the quality of the democratic and cultural life of Canadians. The Corporation is also a partner in ARTV and TV5Monde.

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FRENCH SERVICES' STRATEGIC OBJECTIVES

French Services seeks to offer multiplatform programming rooted in the realities of the 21st century, by increasing the public's involvement and representation. To this end, the main objectives of 2009-2010 were to strengthen on-air impact by offering integrated content, particularly in sports, music and the economy; to consolidate our regional presence and reach unserved markets; and to complete the integration and restructuring of news and current affairs in order to create an appropriate model for the current media landscape.

Seeking to develop a profitable, sustainable and efficient economic model, consistent with its brand image, French Services centralised revenue generation and management, and developed a business plan based on the 360º approach for programming.

As far as the organisation and its people are concerned, French Services continued its objective of adapting and reinforcing its organisational capacity in order to meet the challenges of a global media organisation. Measures taken included workforce adjustment (with a minimal impact on employees and the corporate plan), the rearrangement of the work environment and talent development, in order to enhance the public broadcaster's brand image on all platforms.

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FRENCH SERVICES' PERFORMANCE INDICATORS

Performance Indicators		2009-2010 Targets	2009-2010 Results	2010-2011 Targets
RADIO SHARE (12+ fall survey S4)	Combined	19.4%	19.0%	
TELEVISION SHARE (2+ regular season)	Télévision de Radio-Canada (prime time)	18.9%	18.3%	
	RDI (broadcast day)	3%	2.7%	
RADIO-CANADA.CA (12+ comScore unique/reach)	Reach[1]	21%	N/A	
	Unique francophone visitors	1 million	927,000[2]	
REVENUES (conventional, specialty and online)	Total revenues	$173.7 million	Over target	
SUBSCRIBER COUNT	RDI	10.4 million	10.8 million	
COSTS	Total costs	$564 million[3]	Under target	

1 Reach among francophones who used Internet at home.
2 Data available: January 1, 2009 to August 31, 2009. Monthly total unique francophone visitors who used the site from home.
3 French Services' spending budget up until December 31, 2008.

FRENCH SERVICES' FUTURE DIRECTIONS

Show leadership in service offerings and digital content

- Enrich TOU.TV programming and reinforce *Radio-Canada.ca*.
- Develop and launch new content and applications for mobile platforms.
- Create Espace chanson and redesign music websites.

Revamp news and current affairs offering

- Introduce new formats for *Le téléjournal*.
- Fully integrate newsrooms (television, radio, Web).
- Integrate assignment, planning and expertise centre.

Develop assets and audiences

- Use a 360º approach to manage potential content revenue.
- Maximise the five key revenue streams.
- Complete the transition towards deregulation of specialty-service distribution fees.
- Optimise satellite distribution of regional signals.
- Forge new partnerships.

Continue with multiplatform/total-media integration

- Develop new, attention-grabbing multiplatform initiatives.
- Apply for licences for new specialty services and develop a viable business model.
- Recruit and train personnel to meet the new requirements of the total media model.

Consolidate regional roots

- Optimise use of the Local Programming Improvement Fund.
- Develop a new Web service for areas north and south of Montréal.
- Open integrated stations in Trois-Rivières and Saguenay.
- Carry out reimplementation in Eastern Québec.
- Apply the regional roots strategy to Espace musique.

Quality control

- Television: ensure a clear, effective and competitive schedule.
- Radio: review strategy for Premiere Chaîne and implement a regional roots strategy for Espace musique.
- RDI: develop a programming strategy to face the competition.
- ARTV: consolidate share ownership.

Protect and strengthen the brand

- Develop a strategy to enter into high-visibility strategic partnerships.
- Develop the relationship between Canadians and the public broadcaster.
- Engage and strengthen buy-in among employees with regards to the Corporation's brand and attributes.

Invest in people

- Implement coaching to support strategic directions.
- Develop and engage managers and employees.
- Strengthen productive relations with the unions.

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373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
March 16, 2010

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

REGRETS:

Ms. Trina McQueen

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.

373rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
March 16, 2010

The Chair called the meeting to order at 2:00 p.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 January 19, 2010 meeting and the March 5, 2010 conference call meeting be and are hereby approved as presented.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters to report.

APPOINTMENTS TO COMMITTEES

Mr. Casgrain indicated that as a result of the resignation of a Director, the composition and Chairs of Board Committees had to be reviewed. He outlined the proposed changes to the Committee Chairs and membership and confirmed that the Nominating and Governance Committee had endorsed them. The Board approved the appointments.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT**, on the recommendation of the Chair of the Board and the Nominating and Governance Committee, the Board of Directors hereby approves the Committee appointments as presented, effective immediately, to serve until the next annual meeting of the Corporation (June 2010) or until replacements are appointed. A copy of the document setting out the details of the Committee appointments shall remain filed with the original of these Minutes as Exhibit 1.

MOTION CARRIED

PRESENTATION OF THE 2010-2011 OPERATING AND CAPITAL BUDGETS

Mr. Richard Stursberg, Executive Vice-President, English Services, Mr. Sylvain Lafrance, Executive Vice-President, French Services, Ms. Suzanne Morris, Vice-President and CFO, Mr. Neil McEneaney, Executive Director, Finance and Administration Management, English Services, Mr. Peter St. Onge, Executive Director, Finance and Management Services, French Services, Mr. Jerry Zubryckyj, Senior Director, Capital Process, Capital Process and Portfolio Management, and Mr. Michael Mooney, Senior Director, Corporate Finance and Administration, joined the meeting.

A comprehensive document was distributed to Directors in advance, covering the following topics:

Objective
Introduction/Overview
Strategic Priorities
Enterprise Risk Management
Media Strategic Plans
Operating Budget
Capital Budget

s.21(1)(b)

Suzanne Morris provided an overview of the key factors underlying the preparation of the 2010-2011 budget. In her comments, Ms. Morris referenced the Corporation's financial situation as it approached the end of its 2009-2010 fiscal year, the outcome of the 2009 Strategic Review, the progress with respect to the Recovery Plan, and the impact of the recent Federal budget.

Ms. Morris noted that a number of challenges remain, including:

Ms. Morris canvassed the critical assumptions used in the preparation of the operating budget, relating to government funding, commercial revenues, other sources of funds, expenditures, and projected surpluses/shortfalls over the next three years.

Ms. Morris then outlined the key challenges presented by the capital budget, referencing the combined pressures of technological change, large strategic initiatives, refresh of core business assets, and aging infrastructure. She summarized the approach being taken by management to identify solutions to these issues, canvassed the associated risks, and reviewed the highlights of the capital budget for the next three years. Ms. Morris noted that the capital budget had been submitted to the Treasury Board Ministers, with a decision expected by mid-April.

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

During the presentation, management responded to questions from Board members on:

APPROVAL OF THE 2010-2011 OPERATING AND CAPITAL BUDGETS

After discussion, the Board approved the 2010-2011 Operating and Capital Budgets as presented.

On a motion duly moved and seconded,

WHEREAS:

A. Management presented the 2010-2011 Operating and Capital Budgets to the Board, a copy of which shall be filed together with the original of these minutes as Exhibit 2;

B. The Board has reviewed the Strategic Priorities, Strategic Plans, Enterprise Risk Management and the Financial Context all as further described in the Business Plans;

IT IS RESOLVED THAT:

A. The Board hereby approves the 2010-2011 Operating and Capital Budgets as presented;

B. The Board hereby approves the Operating Budget for fiscal 2010-2011 in the amount of

C. The Board hereby approves the Capital Budget for fiscal 2010-2011 in the amount of

D. The President and CEO or the Vice President and Chief Financial Officer or their respective delegates, for and on behalf of the Corporation be and are hereby authorized to do everything in their power to implement the Business Plans.

MOTION CARRIED

Ms. Morris and Messrs. Stursberg, Lafrance, McEneaney, St. Onge, Zubryckyj and Mooney withdrew from the meeting.

George Smith, Senior Vice-President, Corporate Priorities and Implementation, joined the meeting.

s.19(1)

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

MOTION CARRIED

Mr. Smith withdrew from the meeting and Ms. Bertrand rejoined the meeting.

REAL ESTATE COMMITTEE REPORT

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

Halifax Project

The Committee was briefed on negotiations with the YMCA (owner of the property adjacent to the CBC/Radio-Canada Sackville Street location) for an agreement contemplating the submission of a joint application to the Halifax Regional Municipality for site plan approval and a development permit for the combined site. The key provisions of the proposed agreement with the YMCA, as well as the costs and benefits to CBC/Radio-Canada were outlined. The Committee was advised that the Corporation retains the ability to terminate the agreement with the YMCA at various stages in the process.

After discussion, the Committee recommended that the Board authorize the Corporation to enter into the agreement on the terms outlined. 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 authorizes the Corporation to enter into an agreement with the YMCA for the submission of a joint application to the Halifax Regional Municipality for site plan approval and a development permit, 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

STRATEGIC PLANNING COMMITTEE

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

Committee Terms of Reference

The Committee reviewed and recommended approval of certain changes to its Terms of Reference to reflect (i) the fact that the 2009 Strategic Review process had been officially concluded; and (ii) the Committee's role with respect to the 2010 Long Term Strategic Planning Process.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** on the recommendation of the Strategic Planning Committee, the Board of Directors hereby approves the changes to the Strategic Planning Committee's Terms of Reference as presented in the document, a copy of which shall remain filed with the original of these minutes as Exhibit 4.

MOTION CARRIED

Update on Strategic Planning Process

The Committee also received an update on progress with respect to the long term Strategic Planning Process.

NOMINATING AND GOVERNANCE COMMITTEE

George Cooper, Acting Chair of the Committee, presented the report.

Update on Recommendations – Board Evaluation Report
The Committee is monitoring progress with respect to the implementation of the recommendations in the Board Evaluation Report and received a written update on their status. The Committee was advised that for all but two of the recommendations, implementation is underway or has been substantially completed. For the remaining two, plans are in place to respond to the recommendations in the fall of 2010.

Calendar of Meetings 2011
The Committee considered a proposal for the 2011 Calendar of Meetings and the Chair of the Board presented his views to the Committee on the subject of the Board's need to meet in different locations to broaden its perspective and understanding of the Corporation's business. After discussion, the Committee agreed to submit a revised proposal for the Board's approval.

On a motion duly moved and seconded,

> **IT IS RESOLVED THAT** the Board of Directors hereby approves the Calendar of Board meetings for 2011, as submitted by the Nominating and Governance Committee.

MOTION CARRIED

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 December 31, 2009; (ii) recent economic highlights; (iii) meetings with Treasury Board to provide updates on the Corporation's financial outlook, year end cash position, and progress with respect to the recovery plan; (iv) issues arising from the recent Federal budget; (v) a brief description of contra revenue transactions; and (vi) status update on key 2009-2010 Finance priorities.

Other Reports
The Committee also received the following reports: (i) Quarterly Internal Audit Report; (ii) Overview of Framework for Managing Fraud and Financial Misstatement Risk; (iii) Annual Risk Management Report; and (iv) Update on the Annual Attest Audit.

Internal Audit Plan for 2010-2011
The Committee approved the Internal Audit Plan for 2010-2011. The plan approved is a preliminary plan, with approximately one third of the total audit hours remaining unallocated, pending final determination of the Corporation's priorities. An updated plan including projects representing the unallocated portion will be provided to the Committee at its May meeting.

IFRS Accounting Policy and Accounting Disclosure Decisions
The Committee was briefed on the current status of the IFRS Conversion Project, which is progressing on schedule and on budget. The briefing included the process for conversion to IFRS financial reporting and draft proforma financial statements and notes were distributed to the Committee. The Committee also discussed the up-coming quarterly reporting requirements. A further discussion ensued at the Board meeting regarding the process for approval of quarterly reports, and the support, if any, of the approval process, to be provided by the Office of the Auditor General.

The Committee considered one IFRS accounting policy decision and two IFRS accounting disclosure decisions and after a thorough discussion, the Committee recommended the Board approve the decisions as proposed. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee the Board of Directors approves the following decision with respect to IFRS accounting policy and two decisions with respect to IFRS accounting disclosure for the Corporation, the details of which are set out in the materials presented to the Audit Committee:
>
> Accounting Policy:
> 1. Financial Instruments
>   The initial designation of financial assets and financial liabilities per the financial statements for the year ending March 31, 2010 will be maintained.
>
> Accounting Disclosure
> 1. Statement of Comprehensive Income
>   Expenses will be classified by function.
> 2. Statement of Cash Flows
>   The indirect method will be used.

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

MOTION CARRIED

Rogers Communications Inc. Memorandum of Understanding
Richard Stursberg, Executive Vice-President, English Services, joined the Board meeting.

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

On a motion duly moved and seconded

MOTION CARRIED

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

Mr. Stursberg withdrew from the meeting.

Contract for Maintenance and Support Services for LAN Switches
The Committee approved a contract, following an RFP process, with Bell Canada, for the provision of maintenance and support services for LAN switches for a term of five years at an estimated annual cost of

Next Generation Converged Network (NGCN) Project
The Committee was briefed on the strategic and business considerations for pursuing this initiative, as well as the project risks and associated risk management strategies, the project governance and milestones, the specifics of the selection process, the operational and capital expenses of the project, and the recommended proponent. After discussion, the Committee recommended approval of the project. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee the Board of Directors hereby authorizes the Corporation to proceed with the Next Generation Converged Network (NGCN) Project for costs not to exceed n capital and n annual operating costs. The Corporation is authorized to enter into all necessary agreements with the supplier(s) in order to realize the implementation of the Next Generation Converged Network (NGC), 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

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

Acquisition of Third High Definition Television Mobile
The Committee was briefed on the strategic considerations in support of acquiring a third HD mobile unit and provided with the specifics of the proposed capital lease arrangements for the unit, the impact of the acquisition on the competitive position of the Division, the benefits to the Corporation, the risks involved, and the plans to mitigate the risks. After discussion, the Committee recommended approval of the proposal. The Board adopted the Committee's recommendation.

On a motion duly moved and seconded

> **IT IS RESOLVED THAT** on the recommendation of the Audit Committee the Board of Directors hereby authorizes the Corporation to proceed with the procurement of a third High Definition Television mobile unit at a cost not exceeding pursuant to 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 4.

MOTION CARRIED

<u>HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT</u>

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

UDA Mandate
The Committee was briefed on the circumstances surrounding the up-coming negotiations with the Union des artistes (UDA), which will focus primarily on establishing rules for the distribution of content on multiple platforms, and on sales and rebroadcasts of programs. The specifics of the proposed negotiating mandate were reviewed and endorsed by the Committee. The Board accepted the Committee's recommendation.

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 a mandate for management to renegotiate the UDA collective agreement with Radio-Canada, as per the terms and conditions outlined in the attached document.

MOTION CARRIED

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

MOTION CARRIED

On a motion duly moved and seconded,

MOTION CARRIED

On a motion duly moved and seconded

MOTION CARRIED

POST-MORTEM OF BOARD APPROVED BUSINESS DEALS – 1 YEAR AFTER

This agenda item was deferred to a future meeting.

RECOGNITION OF SENIOR VICE-PRESIDENT, CORPORATE PRIORITIES AND IMPLEMENTATION

The Chair of the Board noted that this was George Smith's last Board meeting as he was retiring effective March 31, 2010. Mr. Casgrain stated that the Board wished to recognise Mr. Smith's service and acknowledge his contribution to the Corporation as Senior Vice-President, Corporate Priorities and Implementation and as Senior Vice-President, Human Resources and Organization.

On a motion duly moved and seconded

> **WHEREAS** George Smith has served as a dedicated member of the Senior Executive Team of CBC/Radio-Canada since July 1996;
>
> **AND WHEREAS** the Board of Directors and the Senior Executive Team have benefited from the strategic and thoughtful guidance provided by George Smith, both in his capacity as Senior Vice-President, Human Resources and Organization, and more recently, as Senior Vice-President, Corporate Priorities and Implementation;
>
> **AND WHEREAS** George Smith has distinguished himself by his significant personal and professional contribution to the success and well-being of the public broadcaster through a number of initiatives, notably in connection with the peace plan, the resolution of various pension issues, and the restructuring of the Technology function, to name a few;
>
> **AND WHEREAS** the Board of Directors wishes to recognize George Smith for his achievements, for his commitment to the Corporation, and for his strong leadership, in both his roles,
>
> **IT IS RESOLVED THAT** the Board of Directors expresses its appreciation and admiration to George Smith for his dedication and contribution to CBC/Radio-Canada, its mission and its mandate.

MOTION CARRIED

CONCLUDE

There being no further business, the meeting concluded at 7:00 p.m.

APPENDIX 1

HALIFAX RELOCATION PROJECT

WHEREAS:

A. Canadian Broadcasting Corporation (the "**Corporation**") owns and occupies a building located on Sackville Street in downtown Halifax (the "**Radio Building**") where it carries out its radio operations;

B. The Building requires substantial repairs due to its poor condition;

C. It is in the interest of the Corporation to maximize the value of the Building;

D. In order to maximise the value of the Building, an agreement is being negotiated, with our neighbour The YMCA of Greater Halifax/Dartmouth (the "**YMCA**") whereby the Corporation jointly with the YMCA would:

   a. file a joint application to Halifax Regional Municipality for site plan approval and development permit;

   b. prepare and issue a request for proposals for sale or development of the Radio Building and the YMCA's building; and

   c. subsequently, with further approval of the Board, enter into a development agreement or a sale agreement with a developer.

IT IS RESOLVED THAT:

(Approving Transaction) The Corporation be and is hereby authorized to enter into an agreement with the YMCA, for the purposes listed above (the "**YMCA Agreement**"),

(Approving the negotiation of the YMCA Agreement) The Corporation be authorized to negotiate and eventually enter into the YMCA Agreement including any other terms and conditions agreed to by the Corporation as evidenced by the signature of the officer designated hereafter.

(Approving the signing of an agreement with the YMCA) The Vice President Real Estate, Legal Services and General Counsel or its delegate, for and on behalf of the Corporation be and is hereby authorized to sign and execute on behalf of the Corporation the YMCA Agreement.

(Further authority) The Vice President Real Estate, Legal Services and General Counsel or its delegate is 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 resolution including but not limited to the execution and filing of the required documents and applications with the Halifax Regional Municipality.

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

APPENDIX 2

<u>ROGERS COMMUNICATIONS INC</u>

WHEREAS

A.

B. Rogers Communications Inc (“RCI”) is licensed by the CRTC to operate a BDU and is engaged in the businesses of distributing television signals, broadband internet and mobile telephony;

C. CBC and RCI have negotiated a memorandum of understanding (the “MOU”) for the following proposed transactions:

(i) Distribution of the Corporation’s English specialty channels (Bold, Documentary and CBC News Network) on RCI’s broadcast distribution service;

(ii)

(iii)

s.68.1

(iv)

D. Key elements of the proposed transactions are more particularly described in Schedule “A” annexed hereto (the “Transactions”) and are to be more fully set forth in formal agreements (the “Transaction Agreements”); and

E.

BE IT RESOLVED THAT:

(**Approving Transactions**) The Corporation be and is hereby authorized to proceed with the proposed Transactions with RCI on substantially the same terms and conditions set forth in Schedule "A".

(**Approving Signing of the Transaction Agreements**) The Executive Vice President, English Services, 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 negotiate, enter into and to execute under the corporate seal of the Corporation or otherwise and to deliver to RCI, the Transaction Agreements on the terms and conditions enunciated in the foregoing resolution and any other terms and conditions as they may see fit with such alterations, additions, and amendments or variations in their absolute discretion determined necessary, and may be approved by execution of the same on behalf of the Corporation, and whose signature shall be conclusive evidence of such approval by the Corporation, that the Transaction Agreements so executed is that authorized by this delegation of Authority, and that the Agreements shall be valid and binding upon the Corporation.

(**Further Authority**) The Executive Vice-President, English Services together with the Vice President and Chief Financial Officer or their respective delegates (the "Officers"), 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 and to the Transaction Agreements, and the taking by the Officers of any such action, the doing by the Officers of any such thing, the execution by the Officers of any such instrument or document or the delivery by the Officers of any such instrument, document or material shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

APPENDIX 3

NEXT GENERATION CONVERGED NETWORK

s.18(a)

WHEREAS:

s.18(b)

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

G.

s.20(1)(b)

BE IT RESOLVED THAT:

FURTHER RESOLVED THAT 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 negotiate, enter into and to execute under the corporate seal of the Corporation or otherwise and to deliver to the other parties thereto, the Agreements on the terms and conditions enunciated in the foregoing resolutions and any other terms and conditions as they may see fit with such alterations, additions, and amendments or variations in their absolute discretion determined necessary, and may be approved by execution of the same on behalf of the Corporation, and whose signature shall be conclusive evidence of such approval by the Corporation, that the Agreements so executed is that authorized by this delegation of Authority, and that the Agreements shall be valid and binding upon the Corporation;

FURTHER RESOLVED THAT 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 (the “Officers”), 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 and to the Agreements, and the taking by the Officers of any such action, the doing by the Officers of any such thing, the execution by the Officers of any such instrument or document or the delivery by the Officers of any such instrument, document or material shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

APPENDIX 4

High Definition Television Mobile Unit

WHEREAS the first CBC/Radio-Canada High Definition (HD) Television Mobile unit has been fully deployed since October 2005 and the second HD Television Mobile unit has been fully deployed since March 2007 and they are effectively running at full capacity;

WHEREAS the Corporation must continue to protect its franchise and bargaining power around high value sports and other high impact properties such as drama and variety;

WHEREAS the procurement of a third HD Television mobile is part of the overall strategy to avoid costly HD mobile rentals and grow the external business in the HD environment to protect the Corporation's revenues;

WHEREAS the Corporation deems advisable and beneficial to acquire a third High Definition Television mobile unit;

s.18(a)

WHEREAS the estimated cost to design and build a third HD Television mobile unit is $8.9 million;

WHEREAS the Corporation wants to acquire a third HD Television mobile unit by means of a capital lease and the resulting lease finance charges are projected to be

BE IT RESOLVED:

(Approving Project) That the Corporation be and is hereby authorized to proceed with the procurement of a third HD Television mobile unit at a cost not exceeding $ exclusive of lease finance charges;

(Approving the negotiation of the procurement agreements) That the Corporation be and is hereby authorized to negotiate and enter into all necessary procurement agreements with suppliers in order to realize the procurement of a HD Television mobile unit;

(Approving the negotiation of a Capital Lease Agreement) That the Corporation be and is hereby authorized to negotiate and enter into a Capital Lease Agreement with a financial institution of its choice with respect to the third HD Television mobile unit;

(Further authority) FURTHER RESOLVED THAT any one of the President and CEO, or the Vice President, Real Estate, Legal Services and General Counsel or their respective delegates, together with the Vice President, Chief Financial Officer or her delegate, are hereby authorized for and on behalf of the Corporation to negotiate, enter into and to execute under the corporate seal of the Corporation or otherwise and to deliver to the other parties thereto, the necessary agreements to procure the HD Television mobile unit on the terms and conditions enunciated in the foregoing resolutions together with any other terms and conditions as they may see fit with such alterations, additions, and amendments or variations they deem necessary or advisable in their absolute discretion, and whose signature shall be conclusive evidence of such approval by the Corporation;

FURTHER RESOLVED THAT the Vice President, Real Estate, Legal Services and General Counsel or the Vice President, Chief Financial Officer 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, and the taking of any such action or the doing of any such thing or the execution of any such instrument or document or the delivery of any such instrument, document or material by the Vice President, Real Estate, Legal Services and General Counsel or the Vice President, Chief Financial Officer shall conclusively establish their authority therefore from the Corporation and the approval and confirmation by the Corporation of the actions so taken, the things so done, the instruments or documents so executed and the instruments, documents or materials so delivered.

Pages 1056 to / à 1057

are withheld pursuant to sections

sont retenues en vertu des articles

18(b), 21(1)(c)

of the Access to Information Act

de la Loi de l'accès à l'information