



BOARD OF DIRECTORS of the CANADIAN BROADCASTING CORPORATION

**Minutes of the Meeting held on**

November 25-26, 2013

Montreal, Quebec

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☒ = by video conference

**Members of the Board present:**

Rémi Racine, Chairperson of the Board  
Hubert T. Lacroix, President and CEO  
Vivian Bercovici  
Edward Boyd  
Peter Charbonneau  
Pierre Gingras  
Terrence Leier  
Maureen McCaw  
Brian Mitchell  
Marie Oden

**Members of the Board absent:**

George Cooper  
Marni Larkin

**In attendance:**

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

**Also attending:**

Bill Chambers, Vice-President, Brand, Communications and Corporate Affairs (Item 1)  
Steven Guiton, Vice-President Technology and Chief Regulatory Officer (Items 1 and 6.1)  
Louis Lalande, Executive Vice-president, French Services (Items 1, 9 and 11.8)  
Neil McEneaney, Interim Executive Vice-President, English Services (Item 1)  
Suzanne Morris, Vice-President and Chief Financial Officer (Items 1 and 4)  
Roula Zaarour, Vice-President, People and Culture (Items 1, 5 and 8)  
Mark Allen, Director, Research and Analysis (☒) (Item 7)  
Joanne Berry, Consultant, Berry Management Consulting Group (Item 1)  
Michel Cormier, Executive Director, News and Current Affairs, French Services (Items 9 and 11.8)

Jacques Gaboury, Associate General Counsel, Business Law (Item 1)  
Marc Lapierre, Executive Director, Real Estate Services (Item 6.2)  
Fred Mattocks, General Manager, Media Operations and Technologies, English Services (Item 6.1)  
Michael Mooney, Executive Director, Corporate Finance and Administration (Item 6.2)  
Jeffrey Orridge, Executive Director of Sports Properties, English Services and General Manager, Olympics Sports Properties (Item 1)  
Stan Staple, Senior Director, Research and Strategic Analysis (Item 7)

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### Opening of the Meeting

On Monday, November 25, 2013, at 2:05 p.m., the Chairperson called the meeting to order.

#### 1. Agreement with Rogers in Relation to Hockey

Maryse Bertrand explained

Hubert T. Lacroix explained the background to discussions with the NHL and provided an overview of the options explored during the summer, the events that unfolded recently, and the key terms of the Agreement.

Neil McEaney reviewed the importance of hockey to CBC while Jeffrey Orridge provided an overview of the negotiations that took place between CBC\Radio-Canada and Rogers.

s.18(b)

Board members inquired about, and discussed:

s.20(1)(b)

- the value of the *Hockey Night in Canada* (HNIC) brand;
- who will exercise editorial rights over the broadcasted games;
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- the broadcasting of playoffs and finals;
- what is envisioned at the expiry of the Agreement;
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- the terms of the agreement reached between the NHL and Rogers;
- revenue risks;
- the amount of promotional time CBC\Radio-Canada will get during the broadcast of hockey games and its impact on our viewership;
- the cost of replacing hockey with other programs;
- approvals required for the Agreement;

- the Agreement's impact on the retention of our sales force and our sports' staff;
- whether the games we will broadcast will also be shown on other platforms;
- the risks that might arise in this fiscal year as a result of the Agreement; and
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Management then circulated and reviewed in detail a presentation deck relating to the Agreement.

Board members met in camera with Hubert T. Lacroix in attendance.

After the in camera session, on a motion duly moved and seconded, **IT WAS RESOLVED**, – That the agreement between CBC\Radio-Canada and Rogers relating to the broadcasting of some NHL games be approved on the terms and conditions presented (see Exhibit 1).

Board members congratulated those who negotiated the deal for their excellent work.

Bill Chambers then provided an overview of the communications plan relating to the announcement of the deal.

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At 5:20 p.m., the meeting was suspended until November 26, 2013, at 10:10 a.m.

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## 2. In Camera Session

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

## 3. Adoption of Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the Minutes of the September 25, 2013, Board of Directors meeting be approved.

## 4. Audit Committee Report

Peter Charbonneau congratulated Suzanne Morris and her staff for winning the Chartered Public Accountants of Canada's 2013 Award of Excellence for Corporate Reporting in recognition of the CBC/Radio-Canada's 2011–2012 Annual Report.

### 4.1 Quarterly Financial Report

Suzanne Morris provided an overview of the Financial Statements highlights and the modifications to the Financial Report resulting from the Agreement between CBC\Radio-Canada and Rogers relating to the broadcasting of some NHL games.

Peter Charbonneau informed the Committee of the Pension Plan's solvency status, the expected changes to mortality rates and solvency calculations, the investment advisor selected to provide advice, and the replacement of Suzanne Morris on the Board of Directors of Sirius by Timothy Casgrain.

Board members inquired how we benchmark against other Crown Corporations and the advice received in relation to the Pension Plan's investments.

On a motion duly moved and seconded, **IT IS RESOLVED**, — That the 2013-2014 Q2 Financial Report be approved as modified, and that the Chief Financial Officer, together with the Chair of the Audit Committee, be authorized to make any further adjustments to the Financial Report as may be necessary.

Peter Charbonneau noted that the Committee also reviewed the draft press release relating to the Financial Report.

#### 4.2 Management Indemnification

Peter Charbonneau provided an overview of the liability of officers and agents and noted that the Board of Trustees will review those matters in the presentation identified for their consideration.

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, — That the Vice-President, People and Culture and the Vice-President, Real Estate Service, Legal Services and General Counsel, be authorized to sign an indemnity agreement with the President and CEO, and the President and CEO be authorized to sign an indemnity agreement with each Vice-President of CBC/Radio-Canada, under terms and conditions similar to those provided in the indemnity agreement with the Corporation's Directors.

#### 4.3 Other Matters

Peter Charbonneau provided an overview of other matters considered by the Audit Committee, including the Risk Management Report Update, the importance of internal controls over financial reports, the rescission of two obsolete accounting policies, the Auditor General's annual audit plan report, discussions with the auditors relating to how the Audit Committee provides fraud oversight, and the internal audit reports presented.

### **5. Human Resources and Governance Committee Report**

#### 5.1 SARTEC Negotiation Mandate

Ted Boyd and Roula Zaarour provided an overview of the proposed mandate and the revised compensation structure.

Board members inquired about the costs and benefits of the proposed compensation structure.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the bargaining mandate with la *Société des auteurs de Radio, télévision et cinéma* (SARTEC) be approved as presented.

#### 5.5 Other Matters

Roula Zaarour informed the Board that a tentative collective agreement had been reached with the Canadian Media Guild and provided an overview of the agreement's terms and the next steps.

### 5.6 SCRC Negotiation Mandate

Roula Zaarour circulated a proposal relating to the negotiation mandate with the *Syndicat des communications de Radio-Canada* (SCRC). Ted Boyd provided an overview of the status of negotiations and the proposed changes to the SCRC's negotiation mandate.

Board members inquired about other matters that might also be subject to negotiation.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the addition to the bargaining mandate with the *Syndicat des communications de Radio-Canada* (SCRC) be approved as presented.

### 5.7 SCFP Negotiation Mandate

Roula Zaarour circulated a proposal relating to the negotiation mandate with the *Syndicat canadien de la fonction publique* (SCFP). Ted Boyd provided an overview of the status of negotiations and the proposed changes to the negotiation mandate.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the addition to the bargaining mandate with the *Syndicat canadien de la fonction publique* (SCFP) be approved as presented.

### 5.2 Political Activities Policy

Ted Boyd and Roula Zaarour provided an overview of the feedback obtained on the changes to Political Activities Policy approved in June 2013 and the additional proposed revisions.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the revised *Policy on Political Activities* (Policy 2.2.17) and the revised "Conflict of Interest – Introduction" section of the *Journalistic Standards and Practices* be approved as presented.

### 5.3 Terms of Reference of the Broadcasting Committees

Ted Boyd explained the rationale for the proposed changes to the Terms of Reference of the Broadcasting Committees.

Board members inquired about the manner and form in which the Board is required to respond to the Ombudsmen's reports as well as the contents of such reports.

Rémi Racine noted that he will reflect on the form of future Board responses and will report back on this issue at a subsequent meeting of the Board.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the revised Terms of Reference of the Standing Committees on English and French Language Broadcasting be approved.

#### 5.4 Committee Membership

Rémi Racine explained the rationale for the proposed changes to the membership of the Committees.

On the recommendation of the Board Chairperson and the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the Committees be composed as follows:

##### Audit:

Peter Charbonneau (Chair), Pierre Gingras, Terry Leier, Maureen McCaw, Brian Mitchell, and Marlie Oden

##### Human Resources and Governance:

Ted Boyd (Chair), George Cooper, Marni Larkin, and Rémi Racine

##### Infrastructure:

Rémi Racine (Chair), Vivian Bercovici, Ted Boyd, and Marni Larkin

##### Strategic Planning:

Ted Boyd (Chair), Peter Charbonneau, Maureen McCaw, Marlie Oden, and Rémi Racine.

### **6. Infrastructure Committee Report**

#### 6.2. Maison de Radio-Canada (MRC) Development Project

Maryse Bertrand provided an overview of the situation with respect to the MRC project,

Board members inquired about

On the recommendation of the Infrastructure Committee, **IT WAS RESOLVED**, ☐

s.18(b)

s.21(1)(b)

s.21(1)(c)

#### 6.1 Media Asset Management Project

Fred Mattocks provided an overview of the Media Asset Management Project, the overall technological context, the process used to select a successful bidder, and the financial risks and mitigation measures that will be put in place.

s.20(1)(b)

s.20(1)(c)

s.20(1)(d)

On the recommendation of the Infrastructure Committee, **IT WAS RESOLVED**, — That the corporate-wide Media Asset Management project be approved as presented.

## **7. Environmental Scan**

Steven Guiton provided an overview of how the Canadian broadcasting industry operates and the role that CBC/Radio-Canada's plays within it. He also described some of the challenges we and the industry face.

Mark Allen explained the public policy imperatives in broadcasting, the public financing provided to support the policy, the changing regulatory environment, and the importance of the Canada Media Fund.

Stan Staples provided an overview of CBC/Radio-Canada's services and their economic impacts. He also reviewed the levels of funding provided to public broadcasters and the extent of their reliance on advertisements.

Mark Allen reviewed various elements of our competitive landscape as well as the shift in sources of revenues in the broadcasting industry and the profitability levels.

Board members inquired about the number of competing networks.

Stan Staple reviewed various metrics relating to audience behaviours.

Board members inquired about the future of television, the impact of hockey broadcasts on the viewership of various networks and the receipt of funding from the Canada Media Fund, the percentage of our audience that is attributable to hockey, the impact of smart TV purchases, and the adoption rate of new technologies.

Board members congratulated the presenters on the quality of the environmental scan and the manner in which it was presented. They also discussed how frequently the environmental scan should be presented to the Board as well as alternative sources of revenues for CBC/Radio-Canada such as the value for signal.

## **8. Quarterly Industrial Relations Report**

Roula Zaarour provided an overview of the membership, negotiation status and relations with the various employee and independent unions.

Board members inquired about the status of the application before the Canada Industrial Relations Board to amalgamate French Services' unions, which unions will be impacted by the ensuing cuts relating to hockey, and the prospects of a future consolidation of the independent unions.

### **11.8 Diversity of Voices**

Louis Lalande and Michel Cormier explained that, in order to ensure that French Services' news and current affairs programs reflect a diversity of voices and opinions, they will conduct internal measurements of key programs twice a year. They also reviewed the criteria that will be used to measure how well diversity of voices and opinions are reflected on air. In concluding, they committed to report on the diversity of voices measurement results to the Board twice a year.

Board members inquired about the programs selected to be measured, whether French and English Services were using the same methodology to measure diversity of voices, and how the Media Asset Management system can support such measurements. They then discussed various measures of diversity of voices and requested that information pertaining to the methodologies used by French Services and English Services be presented at a future meeting.

#### **9. Coverage of Quebec Charter File**

Louis Lalande and Michel Cormier provided an overview of the approach and measures taken to ensure that the coverage of Quebec Charter of Values file was balanced and reflected a diversity of voices.

Board members inquired about the survey poll conducted on Quebec's values and whether the Minister's Office has raised issues in relation to some on air personalities. They then discussed in general terms the coverage of the Quebec Charter file and how certain on air personalities may be perceived as partisan by the public.

#### **10. Varia and In Camera Session**

Board members inquired about the feasibility of using the same Public Relations models that assess positive and negative news coverage to measure the public perceptions of our services.

Board members waived the need for an in camera session.

#### **11. Information Items**

- 11.1 Quarterly Budgetary Management Report
- 11.2 Quarterly Government Funding Report
- 11.3 Quarterly Olympic Games Progress Report
- 11.4 Quarterly Reduction Plan Progress Report
- 11.5 Risk Management Report
- 11.6 Quarterly Special Examination Action Plan Report
- 11.7 Quarterly Workforce Distribution Report
- 11.8 Diversity of Voices
- 11.9 CRTC Outreach Efforts



**Adjournment**

At 2:55 p.m., the meeting was adjourned.

Exhibits

1. Agreement between CBC\Radio-Canada and Rogers relating to the broadcasting of some NHL games

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Chair

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Secretary