



BOARD OF DIRECTORS of the CANADIAN BROADCASTING CORPORATION

Minutes of the Meeting held on

November 19-20, 2014

Montreal, Quebec

 = by video conference

 = by telephone

Members of the Board present:

Rémi Racine, Chairperson of the Board
Hubert T. Lacroix, President and Chief Executive Officer
Edward Boyd (November 20, 2014)
Sonja Chong
Pierre Gingras
Cecil Hawkins
Marni Larkin
Maureen McCaw
Terrence Leier
Brian Mitchell
Marlie Oden

Members of the Board absent:


Edward Boyd (November 19, 2014)

In attendance:

Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel
Tranquillo Marrocco, Associate Corporate Secretary

Also Participating:

Bill Chambers, Vice-President, Brand, Communications and Corporate Affairs (Item 7)
Heather Conway, Executive Vice-President, English Services (Items 5, 6.3, 7 and 9)
Steven Guiton, Vice President, Technology, and Chief Regulatory Officer (Items 5 and 7)
Louis Lalande, Executive Vice-President, French Services (Items 5 and 7)
Micheal Mooney, Acting Vice-President and Chief Financial Officer (Items 4 and 7)
Roula Zaarour, Vice-President, People and Culture (Items 7, 8 and 9)

Stéphanie Duquette, Chief of Staff to the President and CEO (Items 7, 8 and 9)
Neil McEaney, Chief Business Officer, English Services (Item 3)
Jean Mongeau, General Manager and Chief Revenue Officer () (Item 7)

s.19(1)

Jeffrey Orridge, Executive Director, Sports Properties, English Services (☒) (Item 3)

Benoit Villeneuve, General Manager, Finance and Administration, French Services (Item 7)

s.19(1)

Opening of the Meeting

On November 19, 2014, at 8:00 a.m., the Chairperson called the meeting to order. He then welcomed Sonja Chong to the Board of Directors.

1. In Camera Session (Independent Directors)

Board members met in camera to discuss various matters, including the results of the Board self-assessment.

2. In Camera Session with the President & CEO

The Board met in camera with the President and CEO to discuss various matters.

3. Rogers Contract Update

In the Chairperson's temporary absence, Brian Mitchell presided the meeting during the discussion of this matter.

Neil McEneaney provided an overview of the previous presentations to the Board regarding the negotiations with the NHL and the impact of potential outcomes, the highlights, impacts and programming benefits of the Rogers Contract relating to the broadcasting of hockey games, and the revised financial projections.

Board members inquired about the

s.18(b)

s.20(1)(b)

s.21(1)(b)

s.21(1)(c)

10. Varia & In Camera Session

Board members discussed the need to provide greater discussion time for agenda items, the scheduling of working dinners with targeted discussion topics, and the continued need for training sessions.

Board members also discussed the potential disruptions to the upcoming Annual Public Meeting by employees and the employee communications plan.

At 1:30 p.m., the meeting was suspended until November 19, 2014, at 8:10 a.m.

4. Audit Committee Report

Brian Mitchell reported on the matters discussed at the meeting of the Audit Committee held on November 19, 2014, mainly, the Quarterly Financial Report, the use of in-house (rather than external) internal auditors, the use of internal auditors for general consulting work, the RFP process for internal audit services, risk management, and the role of the OAG. He also reported that the Committee approved the retention of Great-West Life as the insurance carrier for the provision of CBC/Radio-Canada's Group Benefit plans and the extension of the Air Canada Joint Corporate Discount Agreement by one year.

4.1 Quarterly Financial Report

Brian Mitchell reviewed the highlights of the Quarterly Financial Report. He also noted that the associated press release was revised as recommended by the Committee.

Board members inquired about the outsourcing of the internal audit function.

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, — That the Corporation's Financial Report for the quarter ended September 30, 2014, be approved.

6. Human Resources and Governance Committee Report

Ted Boyd reported on the matters discussed at the meeting of the Human Resources and Governance Committee held on November 19, 2014.

6.1 SARTEC Negotiation Mandate

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

6.2 Committee Membership

Rémi Racine explained the rationale for the proposed committee membership changes.

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

- (1) the Board Committees be composed as follows:

Audit Committee:

Brian Mitchell (Chairperson), Sonya Chong, Pierre Gingras, Cecil Hawkins, Terry Leier, and Maureen McCaw

Human Resources and Governance Committee:

Ted Boyd (Chairperson), Marni Larkin, Marlie Oden, and Rémi Racine

Infrastructure Committee:

Rémi Racine (Chairperson), Ted Boyd, Marni Larkin, and Marlie Oden

Strategic Planning Committee:

Ted Boyd (Chairperson), Maureen McCaw, Marlie Oden, and Rémi Racine

- (2) Maureen McCaw be appointed to the Pension Board of Trustees in replacement of Peter Charbonneau.

6.3 Other Matters

Ted Boyd reported that, at the Chairperson's request, the Committee discussed the rationale for, as well as the Board's oversight role over, the position taken by CBC\Radio-Canada in relation to the use of broadcasting materials in political ads. He also reported that the Committee requested that, on such policy matters, Management should engage the Board prior to taking a public stance.

Board members met in camera, with the Hubert T. Lacroix and Maryse Bertrand in attendance, to conclude discussions on this matter.

5. Infrastructure Committee Report

Ted Boyd reported on the matters discussed at the meeting of the Infrastructure Committee held on November 19, 2014.

5.1 Technology Plan

Steven Guiton explained the rationale for presenting the Technology Plan for approval, the major thrust of the Plan and its context, the target technological model or environment sought, the principles that will guide future technology-related planning and decision-making, the costs of the systems, the importance of scalability, the technology governance structure, and the future technology trends and challenges envisioned.

Board members inquired about the systems used by back-office staff, the different devices provided to employees and the governance over device allocation, the number of IT departments and employees and their reporting structure, the amount spent for outside consultants, the opportunities of bringing IT and broadcasting services under one roof, the broadcasting industry benchmarks relating to IT resources, the costs of IT systems, and the IT security risks and associated mitigation plans.

On the recommendation of the Infrastructure Committee, **IT WAS RESOLVED BY A MAJORITY VOTE**, — That the Technology Plan dated October 2014 be approved.

The Board requested that, after the Organizational review is completed, management should provide additional information regarding the IT Department and its staffing, and budgets across the country, with appropriate comparison to benchmarks in the private sector.

7. 5-Year Implementation & Financial Plans

Bill Chambers reviewed the Strategic Plan's key objectives and the graphics used to illustrate them.

a) Programming Approach

Heather Conway and Louis Lalande provided an overview of the programming approach for English Services and French Services, respectively.

Board members then inquired about how CBC\Radio-Canada differs from its competitors, how we will encourage third party productions of content, the risks of outsourcing content, and the progress to date of changes with regards to the production approach.

b) Financial Plan

Michael Mooney reviewed the five-year financial plan, including its underlying assumptions, associated risks and contingency plans.

Board members then inquired about the adjustments to the financial plan that may be required as a result of the shortfall of advertisement revenues for French Services, the estimates' reliability, the advertisement revenue trends, and how our head-office staffing levels compare with industry benchmarks.

c) Local Offering

Louis Lalande and Heather Conway provided an overview of the proposed local offering for French Services and English Services, respectively.

Board members inquired about the time that will be allocated for local, regional and national news during the hour-long local news broadcasts, the access to French language broadcasts in minority language communities, the consistency of the local approach, the local offering investments, the application of the principles presented at previous Board meetings in determining the specific local offering for each station, the impact on news gathering when the news offering is reduced to 30 minutes, and the CRTC's conditions of licence regarding local productions.

s.21(1)(a)

d) Production

s.21(1)(b)

Heather Conway provided an update on the workforce adjustments underway in English Services' Sports Department.

Board members inquired about the number of employees that will be retained for the future broadcasting of Olympic Games.

e) Music Offering

Heather Conway and Louis Lalande provided a overview of the proposed music offering and the progress to date.

Board members inquired about the streaming of music.

f) Infrastructure Strategy

Maryse Bertrand and Steven Guiton provided an update on the discussions underway relating to components of the Infrastructure Strategy.

g) People & Culture Strategy

Roula Zaarour provided an update on the progress to date with regards to the People and Culture's initiatives that support the Strategic Plan.

Further discussion on this agenda item was deferred to later in the meeting.

9. Legal Matters

Heather Conway reviewed the timeline in relation to the Jian Gomeshi affair and the due diligence exercised by Management.

Board members noted their satisfaction with the manner in which the matter was handled and the values that were upheld.

s.21(1)(b)

s.21(1)(d)

7. 5-Year Implementation & Financial Plans (continued)

h) Performance Report Card

Steven Guiton explained the rationale for presenting enterprise-wide results and provided an overview of the proposed metrics and targets.

Board members inquired about the opportunity of including regional audience and market metrics in the report, the metrics for interaction, and the use of the previous reports' mission score bubble charts.

i) Communications

The Chairperson noted that he will convene an informal communications committee to brainstorm ideas on how Management can be supported with respect to messaging.

Board members inquired about the impact of staff adjustments on staff morale and mitigation actions undertaken, the initiation of production changes and whether English and French Services are trying to learn from each other, and how our staffing levels compare vis-à-vis broadcast industry benchmarks.

8. Organizational Design

The Board met in camera, with Hubert T. Lacroix, Roula Zaarour, Stéphanie Duquette,
and in attendance, to discuss organizational design options.

s.19(1)

Hubert T. Lacroix provided an overview of the work done to date on the organizational design and the process used to identify the options best suited to accomplish the Strategic

Plan's vision and objectives. He then reviewed the responsibilities and general job descriptions of each position on the proposed, redesigned Senior Executive Team.

Board members inquired about the design options, the implementation approach and timeline, the risks associated with the options, and the savings that could be achieved through the design options.

Board members then met in camera, with _____ and _____ in attendance, to continue their discussions on this matter. _____ s.19(1)

The Chairperson reported to the Corporate Secretary, for inclusion in the Minutes, that the Board gave the mandate to President and CEO to proceed with his preferred organizational design option and seek the support from the Senior Executive Team.

11. Information Items

- 11.1. Quarterly Budgetary Management Report
- 11.2. Quarterly Risk Management Report
- 11.3. Environmental Scan Update
- 11.4. Quarterly Industrial Relations Report
- 11.5. Quarterly Workforce Report

Adjournment

The meeting was adjourned on November 20, 2014, at 5:15 p.m.