


Minutes of the Meeting held on

November 22-23, 2016

Montreal, QC

 = Video-Conference

Members of the Board present:

Rémi Racine, Chairperson of the Board
Hubert T. Lacroix, President and CEO
Edward Boyd
Robert Jeffery
Marni Larkin
Terrence Leier
Maureen McCaw
Marlie Oden



Members of the Board absent:

Norman May

In attendance:

Sylvie Gadoury, Vice-President, Legal Services, General Counsel and Corporate Secretary
Stéphanie Duquette, Chief of Staff to the President and CEO
Tranquillo Marrocco, Associate Corporate Secretary

Also participating:

Heather Conway, Executive Vice-President, English Services (Item 2)
Alex Johnston, Vice-President, Strategy and Public Affairs () (Items 2 and 7)
Louis Lalande, Executive Vice-President, French Services (Item 2)
Monique Marcotte, Vice-President, People and Culture (Item 6)
Judith Purves, Executive Vice-President and Chief Financial Officer (Items 2 and 5)
Allison MacLachlan, Director, Internal & Strategic Communications, Strategy and Public Affairs () (Item 7)
Guylaine Bergeron, Executive Director, Communications, Marketing and Brand, French Services (Item 2)
Denis Desjardins, Director, Capital Process Management, Corporate Finance and Administration (Item 2)
Hélène Forest-Allard, Advisor, Public Relations and Communications, French Services (Item 2)
Emmanuelle Lamarre-Cliche, Chief of Staff to the Executive Vice-President, French Services (Item 2)

Daniel Langlois, Senior Advisor, Real Estate Solutions, Media Technology and Infrastructure Services (Item 2)

Marc Y. Lapierre, Executive Director, Real Estate Services (Items 1 and 2)

Stéphanie Malo, Senior Legal Counsel, Business Law, Legal Services (Item 2)

François Messier, General Manager, Productions, French Services (Item 5.5)

Jean Mongeau, General Manager and Chief Revenue Officer, Media Solutions (Item 5.5)

Michael Mooney, Executive Director, Corporate Finance and Administration (Item 2)

Shaun Poulter, Executive Director, Public Affairs, Strategy and Public Affairs (☐) (Item 7)

Greg StremLaw, Executive Director, Sports, English Services (☐) (Item 5.5)

Francois Vaillant, Executive Director, Infrastructure Solutions, Media Technology and Infrastructure Services (Item 2)

Benoit Villeneuve, Executive Director, Finance and Administration, French Services (Item 2)
Consultant, Avison Young (Item 2)

Opening of the Meeting

On November 22, 2016, at 1:15 p.m., the Chairperson called the meeting to order.

1. Toronto Broadcast Centre Lease

Marc Y. Lapierre provided an overview of the proposal to lease additional space to John & Front Pizza Ltd (formerly Boston Pizza) and its key decision elements.

Board members asked if Treasury Board approval was required with respect to the proposed transaction.

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the proposed leasing and expansion of premises at the Toronto Broadcast Centre to John & Front Pizza Ltd be approved.

2. MRC Project

Hubert T. Lacroix noted that the proposal was the culmination of fifteen years and three attempts of trying to reinvent the Maison de Radio-Canada.

Steven Guiton explained the reason for the lateness in getting the documents to Board members and noted that the proponents' names were purposefully omitted from the document in order to avoid potential conflicts of interest or bias. He also indicated that

members would be able to view the drawings and maquettes following the presentation. He then reviewed the highlights of the recommended solutions.

Board members inquired about the relationship between the MRC's current maintenance deficit and the future occupancy cost, as well

Site Sale

Steven Guiton provided an overview of the evaluation process as well as the final evaluation results with respect to the Site Sale. Denis Desjardins, Marc Y. Lapierre and Stéphanie Malo then reviewed the results of the financial analysis, the technical analysis and the legal analysis, respectively.

Steven Guiton then summarized the key financial terms of the winning proposal.

Board members discussed the evaluation results and sought some clarifications. They also inquired about: how firm the numbers presented were; the impact of any request to change the site's density; any potential risks associated with City approvals; the breakdown of the weight assigned to

any conditions attached to the financing terms;

Board members then met in camera, with _____ in attendance, to discuss the matter further.

The Chairperson reported, for inclusion in the Minutes, that during the in camera session, on a motion duly moved and seconded, **IT WAS RESOLVED**, — That, in relation to the proposed sale of the Maison de Radio-Canada site as well as the short term lease:

1. The sale agreement with the winning bidder be approved on the terms and conditions substantially similar to those described in the materials provided at the meeting;
2. The short term lease agreement with the winning bidder be approved on the terms and conditions substantially similar to those described in the materials provided at the meeting;

3. A submission be made to the Treasury Board to obtain the required Order in Council;
4. All necessary expenses and agreements (including in connection with payment of the brokerage service) to give effect to this resolution be approved; and
5. The President and CEO or the Executive Vice-President, Media Technology and Infrastructure Services, together with the Executive Vice-President and Chief Financial Officer, or their delegates, be authorized to execute all necessary agreements to give effect to this resolution.

Building Solution

Steven Guiton provided an overview of the final evaluation results with respect to the Building Solution. Emmanuelle Lamarre-Cliche provided an overview of the technical evaluation process and the final evaluation results. She also showed various illustrations of the proposed building solutions.

Board members inquired about who will pay for the construction of the new street, certain features of the proposed building solutions, accessibility issues, the impact of the location of entrances, and the anticipated reactions from the neighbouring communities.

Stéphanie Malo provided an overview of the mandate and composition of the legal evaluation committee,

Board members inquired about the manner in which we assessed the calendar's acceptability, who would be responsible for the building life cycle costs, and the renewal options.

Denis Desjardins provided an overview of the financial evaluation committee and the financial evaluation criteria and results.

Board members inquired about

the impact of the building's design on energy costs, the extent to which the proposals meet energy efficiency standards, the manner in which tax evaluation was explained, the manner in which future staff parking will be addressed, the current staff parking usage and rates and the risk that the City changes the rules.

Steven Guiton, and Michael Mooney provided an overview of the

Board members inquired about the option in the future to reduce or sublet space that may become surplus. the market rental rates,

Michael Mooney explained the

François Vaillant

then provided an overview of the technical equipment requirements.

Board members inquired about the contingency percentage, the use of capital and operating appropriations and the impact of the capital proceeds on the operating budget.

Steven Guiton reviewed the key terms with respect to the building solution, as well as the key risks and the next steps.

Board members inquired about the anticipated media, community groups, and staff reactions, the robustness of the cost management, the reputational and communications risks, the logistics of the planned news conference,

Board members congratulated all the managers, staff and consultants for their excellent work on the different aspects of this project.

The independent Board members then met in camera to discuss the matter further.

Board members then viewed the models and maquettes of the proposed building solution.

The Chairperson reported, for inclusion in the Minutes, that during the in camera session, on a motion duly moved and seconded, **IT WAS RESOLVED**, — That, in relation to the proposed long term lease for the new Maison de Radio-Canada as well as the sale of a parcel of the land on which the new Maison de Radio-Canada will be built:

1. The long term lease agreement with the winning proponent be approved on the terms and conditions substantially similar to those described in the materials provided at the meeting;
2. The sale of approximately 235,000 square feet of land (part of lot 2872477) to the winning proponent be approved on the terms and conditions substantially similar to those described in the materials provided at the meeting;

3. A submission be made to the Treasury Board to obtain the required Order in Council;
4. All necessary expenses and agreements (including those in connection with the payment of any tenant fit-up works within the Building and cadastral operation) to give effect to this resolution be approved
5. The President and CEO or the Executive Vice-President, Media Technology and Infrastructure Services, together with the Executive Vice-President and Chief Financial Officer, or their delegates, be authorized to executive all necessary agreements to give effect to this resolution.

Winning Bidders

Hubert T. Lacroix then revealed that the winning bidders were as follows:

1. For the site sale: Groupe Mach; and
2. For the building solution: the Broccolini group.

At 6:30 p.m., the meeting was suspended until November 23, at 8:30 a.m.

7. Government Consultations on Strengthening Canadian Content

The Chairperson noted that this item was added to the agenda because Board members wanted to be briefed on the manner _____ will be expressed in the Corporation's position paper.

Alex Johnston noted that the paper will be submitted on _____ She then provided an overview of the various briefings and communications planned around the paper's launch as well as the key communications messages.

Board members discussed specific communications messages, talking points and timelines. They also inquired about _____ the contingency plans _____ the website that will host the position paper,

3. In Camera Session with the President and CEO

The Board met in camera, with Sylvie Gadoury in attendance, to discuss various matters.

2. MRC Project (continued)

Communications Plans

Guylaine Bergeron provided an overview of the communications plan and messages related to the announcement of the winning bidders for the MRC project's sale site and building solution.

Board members inquired about who will be the architect of the new building, any anticipated opposition to the project and how it would be handled, the information that can be divulged, local issues that may arise,

5. Audit Committee Report

Rob Jeffery reported on the matters discussed at the meeting of the Audit Committee held on November 22, 2016.

5.1 Executive Summary of Financial Results and 2016-2017 Q2 Financial Report

Rob Jeffery provided an overview of the financial and budgetary results, the ad market trends, the advertisement and subscription revenues, the financial results with respect to the Olympic Games, and the pension plan financial results.

Board members inquired about the financial issues that concern Management the most and the pension plan financial results.

5.2 2016-2017 Q2 Financial Report

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, — That the Corporation's Financial Report for the quarter ended September 30, 2016, be issued,

subject to an update being included to reflect the Board's decision with respect to the MRC Project.

5.3 Pension Board of Trustees Appointment

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, — That Alain Pineau be appointed to the CBC Pension Board of Trustees effective January 1, 2017.

Board members commented Paul Daffney's contribution to the CBC Pension Board of Trustees.

5.4 Ad Placement Contract – French Services

On the recommendation of the Audit Committee, **IT WAS RESOLVED**, — That the President and Chief Executive Officer, together with the Executive Vice-President, French Services, or their delegates, be authorized to enter into and execute a contract with PHD Montréal for media buying services on the terms and conditions essentially similar to those presented at the meeting.

5.6 Other Matters

Rob Jeffery provided an overview of the internal audit reports presented to the committee, in particular the *Strategy 2020* Execution and Governance Internal Audit Report, the ERP Inception stage review, and the MRC Project.

Judith Purves and Hubert T. Lacroix provided an overview of Management's response to the recommendations contained in the *Strategy 2020* Execution and Governance Internal Audit Report.

Board members inquired about the process risk with respect to a recommendation on the manner SET functions contained in the *Strategy 2020* Execution and Governance Internal Audit Report. They also inquired on the status of the MTIS re-organization and cybersecurity risks.

5.5 Rio Games Post-Mortem

Judith Purves provided an overview of the rationale for conducting the post-mortem and the ad revenues generated from the Sochi and Rio Olympic Games.

Jean Mongeau summarized the results of the Navigator studies, as well as the three themes identified during the post-mortem and the action plans developed to address them.

Board members inquired about: the reasons why NBC had better ad revenue results; potential partners and plans for nurturing better relations with them; the coordination between the sports marketing and the sales team and the manner in which they can be held accountable for results; alternate compensation models for the media solutions team; the IOC digital content in Canada and its impact on our revenues; discussions with the IOC with respect to revenue encroachment and the terms of our contract with them; the impact of the potential absence of the NHL players at the Olympics; the costs of continuing to broadcast the Olympic Games; debriefings held with former partners; the strategy for future Games; and the opportunity of testing our offering with some key clients.

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 22, 2016.

6.4 Governance Review

Ted Boyd summarized the presentation that _____ made to the committee as well as committee's discussion on the matter.

It was noted that, in light of the reduced number of board members, all board members be included in future committee discussions on the matter.

6.1 Compensation Strategy

Ted Boyd explained the context, the rationale and the key decision elements of the proposed compensation strategy.

Board members

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the planning budgets, short-term incentive plan, SM additional benefits and Executive pay changes be approved as presented.

6.2 Writers Guild of Canada (WGC) Negotiation Mandate

Ted Boyd noted that the requested mandate was

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the negotiation mandate with The Writers Guild of Canada be approved as presented.

6.3 AR Negotiation Mandate

Ted Boyd explained _____ of the AR group.

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the bargaining mandate of the Association des réalisateurs (AR) approved by the Board of Directors on August 20, 2015, _____ as presented.

6.5 SET Succession Planning

Hubert T. Lacroix and Monique Marcotte provided an overview of the SET succession plan and the next steps.

Board members inquired about the development plans for the future leaders.

4. Adoption of Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the Minutes of the following Board of Directors meetings be approved: September 27, 2016, October 31, 2016, and November 3, 2016.

8. Varia & In Camera Session (Independent Directors)

The independent Directors met in camera to discuss various matters.

9. Information Items

- 9.1. French Services Ombudsman Mid-Year Update Report
- 9.2. English Services Ombudsman Mid-Year Update Report
- 9.3. Environmental Scan Update

Adjournment

The meeting was adjourned on November 23, 2016, at 12:10 p.m.