

Minutes of the Meeting held on

November 24-25, 2015

Toronto, ON

 = by conference call

 = by video conference

Members of the Board present:

Rémi Racine, Chairperson of the Board
Hubert T. Lacroix, President and CEO
Edward Boyd
Sonja Chong
Robert Jeffery
Terrence Leier
Norman May
Maureen McCaw
Brian Mitchell
Marlie Oden

Members of the Board absent:

Marni Larkin

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 4)
Marco Dubé, Acting Vice-President, Strategy and Corporate Affairs (Items 3, 4, and 10)
Josée Girard, Vice-President, People and Culture (Items 4, 5, 9, and 12)
Steven Guiton, Executive Vice-President, Media Technology and Infrastructure Service
(Item 4, 5, 7, and 13)
Louis Lalande, Executive Vice President, French Services () (Item 4)
Judith Purves, Executive Vice-President and Chief Financial Officer (Items 4, 6, 8, and 11)
Mark Allen, Senior Director, Research and Analysis (Items 3 and 10)
Marc Y. Lapierre, Executive Director, Real Estate Services (Item 13)
Jean Mongeau, General Manager and Chief Revenue Officer (Item 4)

Benoit Villeneuve, Executive Director, Finance and Strategic Planning, French Services
(☎) (Item 4)

Consultant, Deloitte (☎) (Items 5-7)

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Opening of the Meeting

On November 24, 2015, at 1:15 p.m., the Chairperson called the meeting to order.

1. In Camera Session with the President and CEO

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

2. Adoption of Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the Minutes of the September 30, 2015, Board of Directors meeting be approved.

3. Environmental Scan

Hubert T. Lacroix and Marco Dubé explained that the purpose of the presentation was to provide the Board with a high level overview of how the Canadian broadcasting industry operates, CBC\Radio Canada's role in it, some key challenges we and the industry are facing now and in the future, and an update on some important developments impacting the road ahead.

Mark Allen reviewed the key highlights and contents of the environmental scan.

Board members inquired about and discussed: the over-the top (OTT) market and our OTT strategy, as well as its impacts and the likelihood of content distribution impediments; youth and TV audiences; the monetization of our broadcasts on the new platforms; the receipt of foreign revenues by other broadcasters; the existence of research on the public opinion regarding challenges faced by public broadcasters, as well as the extent to which other public broadcasters face the same issues as CBC\Radio-Canada; the news media in the Francophone market; the role of public broadcasters in the preservation of languages and

culture; the government's openness to provide stable funding; the situation with respect to the BBC and ABC models and the projected decline of advertising revenues.

4. Strategic Planning Committee Report

4.1 Funding Priorities

Norman May reported that the Committee met on November 12, 2015, to discuss the Corporation's proposed funding priorities in light of the government's announcement that it would provide additional funding to the Corporation.

Board members then inquired about the expected date that the additional funding will be confirmed.

Judith Purves provided an overview of the information included in the table presented.

Heather Conway and Louis Lalande provided an overview of the proposed strategic investments and reinvestments in services priorities for English Services and French Services, respectively.

Board members then inquired about the manner in which programming investments priorities were made, the programming budgets for English Services and French Services, the planned investments in content, the investment in signature events, and the coverage of international news and events.

At 4:50 p.m., the meeting was suspended until November 25, 2015, at 8:30 a.m.

5. Organizational Design Update

provided an overview of the project's objectives and timeline.

Steven Guiton provided an update on the MTIS re-organization.

Board members inquired about the production and broadcast systems common to both English Services and French Services,

the effort made to get people on board, Management's assessment of the project's progress,

the need for deadlines, and the timeline for the digitization of our archives.

Judith Purves then provided an update on the progress of the finance transformation.

Board members enquired about the timeline and the need to stabilize the situation.

The independent Board members then met in camera first with Hubert T. Lacroix, Sylvie Gadoury, and in attendance, and then with only and in attendance.

6. Finance Transformation Progress Report

This agenda item was dealt with under Item 5 – Organizational Design Update

7. MTIS Organizational Design Update

This agenda item was dealt with under Item 5 – Organizational Design Update

8. Employee Reimbursement Policy

Judith Purves provided an overview of the approaches for alignment with Treasury Board policies with respect to events and hospitality, corporate travel, duty entertainment, conferences, monitoring and reporting, and Directors' travel.

Board members inquired about the current policy applicable to journalists who cover news abroad and to the revenue team with respect alcoholic beverages provided to customers.

They also enquired about the pre-approval process, who will authorize the pre-approvals, and the cost of implementing the revised policy.

Board members agreed with the approaches presented and in the application to Directors as well.

9. Dialogue 2015 Employee Survey Results

Josée Girard provided an overview of the context under which the employee survey was conducted, the rationale for changing survey provider and the questions used, the additional workplace-related questions following the Rubin Report's recommendations, the employee engagement results, and the next steps.

Board members inquired about Management's reaction vis-à-vis the results, the timing of the next survey, whether employees embrace the need for change, the leadership strengths required to drive change, employee perception,

10. Strategy 2020 Report Card

Marco Dubé explained the purpose of the Strategy 2020 Report Card. He also noted that the Board had approved the report card, with the exception of metrics #2 (Information programming had diverse opinions and is objective) and #7 (Employee engagement). He then reviewed the 2020 targets.

Board members inquired about the rationale of using the scores of respondents who give an 8, 9 or 10 rating, the meaning of certain results, the opportunity of obtaining Canadian's opinion of how our competitors are performing, the manner in which the targets are determined, and the survey methodology used, particularly in relation to metric #2.

On a motion duly moved and seconded, **IT WAS RESOLVED**, — That the revised 2015-16 annual targets and the 2020 targets associated with the strategy's established performance indicators be approved.

11. Audit Committee Report

Brian Mitchell reported on the matters discussed at the meeting of the Audit Committee held on November 24, 2015, including the Committee's in camera discussion relating to the

relationship between the Infrastructure Committee and the Audit Committee, and the Committee's desire to have one of its members attend the meetings of the Infrastructure Committee.

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

Brian Mitchell then reported on the other matters discussed by the Committee, including the expanded scope of the quarterly audits and proactive disclosures of travel and hospitality expenses, the results of the internal audit reports completed during the quarter and the Committee's approval of an Agreement with Air Canada.

11.1 Executive Summary of Financial Results

Judith Purves provided an overview of the key financial results and drew attention to those matters that may have an impact on the Corporation's financial wellbeing.

11.2 2015-2016 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, 2015, be issued.

12. 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 24, 2015.

Josée Girard provided an overview of the rationale for the proposed mandates

Sylvie Gadoury explained the proposed UDA mandate.

Board members inquired about the approval process relating to negotiation mandates.

12.1 ACTRA Negotiation Mandate

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

12.2 CFM Agreement

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That the proposed six-month extension to the CFM Agreement be approved.

12.3 UDA Agreement

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

12.4 Senior Executive Compensation

The discussion on this matter was deferred to the in camera session (see Item 14).

12.5 Committee Membership

Ted Boyd provided an overview of the proposed committee membership changes.

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

1. Ted Boyd be removed from the membership of the Communications and Stakeholders Relations Committee;
2. Marlie Oden be removed from the membership of the Infrastructure Committee; and
3. Remi Racine's membership on the Human Resources and Governance Committee be changed to that of a non-voting ex-officio member.

13. Infrastructure Committee Report

Rémi Racine reported on the matters discussed at the meeting of the Infrastructure Committee held on November 24, 2015, including the Committee's approval of standing offer agreements with Dell for the acquisition and maintenance of server, storage, and

endpoint equipment, and the agreement with WideOrbit for the replacement of the existing Radio Broadcast Management System.

Steven Guiton explained the rationale for the agreements.

Board members inquired about the equipment's prices during the term of the agreements, the need to replace the actual system, whether WideOrbit provided out-of-box solutions, the merits of outsourcing solutions for television and radio broadcast systems from the same supplier, the level of compatibility between WideOrbit and SintecMedia systems, WideOrbit's Canadian presence, and the existence of any concerns with using an American supplier.

13.1 Calgary Station Relocation

Rémi Racine noted that since Finance was still reviewing the business case, approval for the project would be sought conditional to the Chief Financial Officer's approval of the project's business case.

Steven Guiton and Marc Lapierre provided an overview of the project's business case development process, as well as its context, rationale, and key decision elements.

Board members inquired about the property's valuation and current zoning, the prospect of leasing the existing space, the origin of the soil contamination and who was responsible, and where the station will be relocated to. They also requested that they be apprised of any further issues that may arise with respect to this project.

On the recommendation of the Infrastructure Committee, **IT WAS RESOLVED**, — That, subject to the Chief Financial Officer's approval of the project's business case, the Calgary Relocation Project and the proposed lease agreement with Veteran's Way Project Ltd. for the premises located at 1000 Veteran's Place NW in Calgary, be approved on essentially the same terms and conditions as those presented at the meeting.

14. Varia & In Camera Session (Independent Directors)

The independent Board members met in camera to discuss various matters.

The Chairperson reported to the Corporate Secretary, for inclusion in the Minutes, that, during the in camera session, on the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — That:

1.

as proposed; and

2. for the Vice-President, Legal Services, General Counsel and Corporate Secretary be approved as proposed.

15. Information items

- 15.1. Quarterly Transformation Progress Report
- 15.2. Quarterly Budgetary Management Report
- 15.3. 2015-2016 Q2 Budgetary Management Capital Report
- 15.4. 2015-2016 Q2 Cash Forecast
- 15.5. Quarterly Risk Management Dashboard and Report
- 15.6. French Services Ombudsman Mid-Year Update Report
- 15.7. English Services Ombudsman Mid-Year Update Report

Adjournment

The meeting was adjourned on November 25, 2015, at 12:30 p.m.

Chair

Secretary