

**Minutes of the Meeting held on**

February 25-26, 2014

Toronto, Ontario

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**Members of the Board present:**

Rémi Racine, Chairperson of the Board  
Hubert T. Lacroix, President and CEO  
Edward Boyd  
Peter Charbonneau  
George Cooper  
Pierre Gingras  
Marni Larkin  
Terrence Leier  
Maureen McCaw  
Brian Mitchell  
Marlie Oden

**Members of the Board absent:**

None

**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 participating:**

Heather Conway, Executive Vice-President, English Services (Item 1)  
Louis Lalande, Executive Vice-president, French Services (Items 1, 6 and 7)  
Bill Chambers, Vice-President, Brand, Communications and Corporate Affairs (Item 1)  
Steven Guiton, Vice-President and Chief Regulatory Officer (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 6)  
Joanne Berry, Consultant, Berry Management Consulting Group (Item 1)  
Marie-Philippe Bouchard, General Manager, Music and Digital Services, French Services (Item 6)  
Michael Mooney, Executive Director, Corporate Finance and Administration (Items 4 and 6)  
Benoit Villeneuve, Executive Director, Finance and Strategic Planning, French Services (Items 6 and 7)

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## Opening of the Meeting

On February 25, 2014, at 7:00 p.m., the Chairperson called the meeting to order.

### 1. Strategic Planning Committee Report

Joanne Berry reviewed the revised strategic planning process, including proposed timeline, the purpose of each strategic plan element, and the work completed, as well as consultations held, to date.

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At 9:00 p.m., the meeting was suspended until February 26, 2014, at 8:30 a.m.

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s.21(1)(b)

### 2. In Camera Session with the President & 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.

### 3. Adoption of Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the Minutes of the November 25-26, 2013, Board meeting be approved.

### 4. Audit Committee Report

#### 4.1 Quarterly Financial Report

Suzanne Morris reviewed the financial statement highlights, in particular the net results for the quarter.

Board members inquired about the extent of the net losses in the third quarter.

On the recommendation of the Audit Committee, **IT WAS UNANIMOUSLY RESOLVED**, — That the Q3 2013-2014 Quarterly Financial Report be approved.

#### 4.2 Other Matters

Peter D. Charbonneau reported on the other matters discussed at the February 25, 2014, Audit Committee meeting, including:

- the clarification of a reference to the CEO's expenses in the Audit Committee Minutes of November 25, 2013, in relation to a matter discussed in camera;
- the Quarterly Risk Management report and the 2014-15 Key Risks and Action Plan
  
- the Financial Report review procedures and financial controls in place;
- the internal audit reports completed during the third quarter;
- the 2014-15 Internal Audit Plan which the Committee approved; and
- the discussions (with the participation of the Chairperson of the Board and the President and CEO) on the 2014-15 budget approach and capital spending and the Committee's decision to mandate the Chair of the Audit Committee to review the final 2014-15 Budget presentation and consult with the Audit Committee members via email or by convening a conference call meeting as required.

Rémi Racine wanted to take this opportunity to highlight the tremendous and exemplary contribution of Peter Charbonneau as Chair of the Audit Committee. He noted that, if replaced before the March meeting, he would nonetheless be invited to attend the March Board meeting as an advisor in order to provide the necessary continuity with regard to the budget process.

### 9. Varia

#### 9.1 Infrastructure Committee Report

Rémi Racine reported that a special Infrastructure Committee meeting had been convened on February 25, 2014, to receive an update on the Maison de Radio Canada Development Project.

s.21(1)(b)

Maryse Bertrand provided an update on the project and

### 6. ICI Tou.tv

Louis Lalonde explained the importance of ICI Tou.tv and the purpose of the proposed service extension. Marie-Philippe Bouchard reviewed the existing service's financial and viewership results, the video-on-demand competitive landscape, the options considered, the merits and terms and conditions of the proposed partnerships and the direct subscription offering, and the projected revenues and expenditures resulting from the service expansion.

Board members asked if a market study had been conducted to determine the subscription price sensitivity and how the proposed subscription price compares with the competition. They also enquired about the costs relating to the expanded services and how they were estimated, and how content providers for other services, such as Netflix, are remunerated.

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the new ICI Tou.tv business model, comprising the launch of an EXTRA Tier for partners' customers and a direct-to-consumer subscription offering, be approved.

## 7. ICI Artv

Louis Lalande provided an overview

## 5. Human Resources and Governance Committee Report

s.21(1)(b)

### 5.1 CFM Negotiation Mandate

Ted Boyd and Roula Zaarour explained the rationale and terms of the proposed amendment to the mandate approved by the Board of Directors on January 19, 2010, relating to the Canadian Federation of Musicians (CFM).

On the recommendation of the Human Resources and Governance Committee, **IT WAS RESOLVED**, — THAT the terms of the tentative agreement with the Canadian Federation of Musicians (CFM) be approved as presented.

### 5.2 Other Matters

Ted Boyd provided an overview of other matters discussed at the February 25, 2014, Committee meeting, including the Committee's approval of the 2013-2016 key Executive Long-Term Incentive Plan objectives for Louis Lalande and of the granting of authority to the President and CEO to reorganize the executive level governance over technology by the elimination of the Technology Strategy Board and the creation of a sub-committee of the SET, the Technology Strategy Executive Team (TSET).

## 8. Training: Budget – Key Revenue & Expenses Items

Rémi Racine noted that the objective of the presentation was to provide Board members with an overview of the major budgetary envelopes.

Suzanne Morris and Michael Mooney provided an overview of the Corporation's key revenue and expenditure envelopes and the overall financial results for the Corporation, as well as those of English Services and French Services, for the last three fiscal years.

Board members inquired about the nature of the expenses for the non-media services, the opportunity of allocating some resource consumption costs (such as real estate space) to the media lines, the advertisement revenues generated during the broadcast of hockey games, the partnership with Rogers in relation to hockey, and the overall cost of the radio and website services. They also noted that an additional level of detail, such as a breakdown of advertisement revenues by media platform and a national and regional breakdown of television costs and revenues, would be beneficial for the Budget presentation in March.

**9. Varia and In Camera Session**

Board members waived the need for an in camera session.

**10. Information Items**

- 10.1 Quarterly Budgetary Management Report
- 10.2 Quarterly Government Funding Report
- 10.3 Quarterly Industrial Relations Report
- 10.4 Quarterly Reduction Plan Progress Report
- 10.5 Annual Risk Management Report (Review of 2012-2014 Key Risks)
- 10.6 Key Risks and Action Plans for 2014-2015
- 10.7 Quarterly Special Examination Action Plan Report
- 10.8 Quarterly Workforce Distribution Report
- 10.9 Update on MRC Development Project

**Adjournment**

At 12:15 p.m., the meeting was adjourned.

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Chair

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Secretary