



BOARD OF DIRECTORS of the CANADIAN BROADCASTING CORPORATION

Minutes of the Meeting held on

September 26, 2012

St. John's, Newfoundland and Labrador

 = by telephone

Members of the Board present:

Rémi Racine, Chairperson of the Board
Hubert T. Lacroix, President and Chief Executive Officer
Edward Boyd
Peter Charbonneau
George Cooper
Pierre Gingras
Marni Larkin
Terry Leier
Patricia McIver
Brian Mitchell
Edna Turpin

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:

Steven Guiton, Vice-President and Chief Regulatory Officer (Items 5 and 11)
Louis Lalande, Executive Vice-President, French Services (Item 4)
Roula Zaarour, Vice-President, People and Culture (Item 7)
Michel Cormier, Executive Director, News and Current Affairs, French Services (Item 4)
John Lee, Executive Director, Media Technology Services  (Item 11)
Neil McEneaney, Executive Director, Finance and Strategy, English Services  (Items 9 and 10)
Jeffrey Orridge, Executive Director, Sports Properties, English Services  (Items 9 and 10)

Opening of the Meeting

At 9:00 a.m., the Chairperson called the meeting to order.

1. In Camera Sessions

(a) With Independent Directors

No matters were reported to the Corporate Secretary for inclusion in the Minutes.

2. Adoption of the Minutes

On a motion duly moved and seconded, **IT WAS RESOLVED**, – That the Minutes of the August 23, 2012, Board meeting be approved.

3. President and CEO's Report

Hubert T. Lacroix explained the process underway to plan for the anticipated financial impacts of potential CRTC rulings on various conditions of licences and the effects of a NHL lockout as well as the timeline for their discussion by the Strategic Planning Committee and the Board.

4. Quebec Election Coverage

Louis Lalande and Michel Cormier provided an overview of the 2012 Quebec election coverage, including the programming strategies, initiatives to ensure diversity of voices, audience reach, regional coverage, the leaders' debate, staffing of the election team, and lessons learned.

Board members inquired about the audience reach, the diversity of voices measurements, the coverage of certain events, the impact of specific news stories, the political activities of former journalists, the leaders' debate, and the election night coverage.

1. In Camera Session

(b) With the President and Chief Executive Officer

No matters were reported to the Corporate Secretary for inclusion in the Minutes.

5. Regulatory Affairs Update

Steven Guiton provided an update on the following regulatory matters: Stingray's complaint against CBC Music, the CRTC's rationale for eliminating the LPIF, the Bell-Astral transaction, the value for signal court case, and the CRTC's new media information gathering.

Board members inquired about the anticipated CRTC's decision in relation to the Bell-Astral transaction, interveners in the value for signal court case, and the funding of local programming.

Steven Guiton then provided an overview of the licence renewal timeline and process, CBC\Radio-Canada's interests, and the next steps.

Board members inquired about the preparations being made for the hearings, the remedies available to the Corporation if it disagrees with the CRTC's decision, the focus and priorities of the CRTC in dealing with our situation, the issues of concern to the CRTC, the CRTC's membership, and when can a CRTC decision be expected.

6. Real Estate Committee Report

Rémi Racine reported on the Real Estate Committee meeting held on September 25, 2012, including the rationale for leasing rather than owning real estate.

Maryse Bertrand circulated a summary of the Real Estate Strategy and highlighted the Real Estate Master Plan's objectives, its governing principles, its vision, and the ownership criteria. She also provided a brief update on the Halifax and the *Maison de Radio-Canada* projects.

Board members inquired about the maintenance deficit, the execution timeline for projects, and the impact of infrastructure expenditures on programming expenditures.

7. Human Resources and Compensation Committee Report

Ted Boyd reported on the Human Resources and Compensation Committee meeting held on September 26, 2012.

(a) Negotiation Mandate - *Syndicat canadien de la fonction publique* (SCFP)

Ted Boyd provided an overview of the wage re-opener provisions in the collective agreement with the SCFP, the union's requests, and the rationale for the proposed bargaining mandate.

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

(b) Other matters

Ted Boyd reported that the Committee approved the LTIP objectives of the Executive Vice-Presidents. He also listed the reports which were presented to the Committee for information.

Roula Zaarour provided an overview of the initiatives put in place to improve the achievement of employment equity targets.

Hubert T. Lacroix then provided

and on the discussions held with unions in relation to the pension plan contribution increases.

s.21(1)(b)

8. Governance and Nominating Committee Report

Edna Turpin reported on the Governance and Nominating Committee meeting held on September 25, 2012.

(a) Human Resources and Governance Committee

Edna Turpin reported that, after a discussion regarding the merits of the proposed merger, the Committee agreed to defer the matter to the Board for decision. Rémi Racine then explained the rationale for merging the two committees.

On a motion duly moved and seconded, **IT WAS RESOLVED, ON A SHOW OF HANDS, — That:**

1. the mandates of the Governance and Nominating Committee and of the Human Resources and Compensation Committee be terminated;
2. the Terms of Reference of the Human Resources and Governance Committee (see Appendix 1) be approved as presented; and
3. that the membership of the Human Resources and Governance Committee be comprised of: Ted Boyd (Chairperson), George Cooper, Marni Larkin, and Rémi Racine.

Pierre Gingras requested that his dissenting vote be duly recorded in the Minutes.

(b) 2013 Calendar of Meetings

Edna Turpin and Rémi Racine provided the rationale for the proposed calendar.

On the recommendation of the Governance and Nominating Committee, **IT WAS RESOLVED, — That** the 2013 calendar of meetings be approved as presented.

(c) Remuneration of the Chairperson of the Board

Rémi Racine withdrew from the room during the discussion of this agenda item and, consequently, Hubert T. Lacroix took the Chair during this period.

Edna Turpin explained the rationale for the proposed resolution.

On the recommendation of the Governance and Nominating Committee, **IT WAS RESOLVED, — That** the resolution regarding the remuneration of the Chairperson of the Board (see Appendix 2) be approved as presented.

10. NHL Update and Contingency Plan

Neil McEneaney provided an update on the contingency plans prepared to address the NHL labour disruptions and the manner in which CBC\Radio-Canada would minimize its losses.

9. Pan Am Games

Jeffrey Orridge explained the bidding context, the staffing plans, and the projected revenues. Board members then inquired about whether the Games are counted as Canadian content, potential advertisement and sponsorship interests, the marketing value consideration, and sublicensing opportunities.

11. Transmission Assets Strategy (training session)

Steven Guiton and John Lee provided an overview of the transmission assets portfolio, the strategy in relation to owned sites, and the major projects which have been completed, those which are underway and those which are planned.

Board members inquired about the strategy's impact on minority language groups, the rationale for having assets in small communities, the alternatives to using broadcasting towers for the distribution of signals, and the conversion from AM broadcasts to FM broadcasts.

12. In Camera Session (independent directors)

No matters were reported to the Corporate Secretary for inclusion in the Minutes.

Adjournment

At 2:20 p.m., the meeting was adjourned.

Appendices

1. Terms of Reference of the Human Resources and Governance Committee
2. Resolution Regarding the Remuneration of the Chairperson of the Board of Directors of CBC/Radio-Canada

Chair

Secretary

Appendix 1

TERMS OF REFERENCE HUMAN RESOURCES & GOVERNANCE COMMITTEE

A. PURPOSE

1. The purpose of the Human Resources and Governance Committee (the "Committee") is to assist the Board in discharging its stewardship and oversight responsibilities on matters relating to human resources strategies, compensation, corporate governance, the conduct of the Board's affairs, and other related matters.

B. COMPOSITION

1. The Committee shall consist of three to six members of the Board, none of whom may be officers or employees of the Corporation.
2. The Chairperson and members of the Committee shall hold office from the date of their appointment by the Board until they are removed or replaced by the Board or cease to be members of the Board.
3. The Chairperson of the Committee may designate another Committee member to be Acting Chairperson of the Committee when required.
4. A majority of members of the Committee shall constitute a quorum.
5. The Corporate Secretary (or a designated delegate) shall be the Secretary to the Committee.

C. DUTIES AND RESPONSIBILITIES

1. The Committee's duties and responsibilities, which are delegated by, and are performed on behalf of, the Board, are subject to the powers and duties of the Board.
2. The Committee shall report to the Board on a regular basis all such action it has taken since the previous report.
3. The Committee shall recommend to the Board for approval:
 - a) the President and CEO's annual goals and objectives;
 - b) the President and CEO's annual overall performance evaluation rating following an assessment of the President and CEO's performance against established goals and objectives;
 - c) the annual compensation plan and budgets for Executives, including incentive compensation plans and budgets;
 - d) any termination package for a Vice-President which differs from plans or policies approved by the Board or the Committee;
 - e) the annual compensation plan and budget for non-union and non-executive employees;
 - f) significant human resources and industrial relations strategies and policies;

- g) significant mandates for the negotiation of collective bargaining agreements.
 - h) changes to the Board Manual which outlines the policies and procedures by which the Board operates and the Terms of Reference for the Board, the Chairperson of the Board, the President and CEO, directors and Board Committees;
 - i) the list of competencies, skills and experience considered generally necessary for the Board as a whole and those specifically desired in light of a vacancy or potential vacancy;
 - j) the process for assessing the effectiveness of the Board as a whole, committees of the Board, the Chairperson of the Board, and individual directors; and
 - k) changes to the compensation of directors.
4. The Committee shall, on the recommendation of the President and CEO, recommend to the Board for approval:
- a) the appointment of a Vice-President;
 - b) a Vice-President's compensation package on appointment; and
 - c) any major change to the organization structure.
5. The Committee shall approve:
- a) any matter relating to the administration of Executive incentive plans, including, but not limited to, the designation of individuals eligible to participate in such plans;
 - b) the annual compensation packages for individual Vice-Presidents consistent with the Corporation's Executive compensation strategy, plan and policies;
 - c) the Corporation's succession planning program and process; and
 - d) the new director orientation program and the annual training program for Board members
6. The Committee shall manage the selection process of Board members and, if necessary, retain the services of consultants or delegate to the Chairperson of the Board, the Chairperson of the Human Resources and Governance Committee, or the President and CEO the authority to identify suitable candidates for recommendation to the Board.
7. The Committee shall review:
- a) the annual corporate report on Health, Safety and the Environment; and
 - b) its Terms of Reference periodically to ensure they continue to be appropriate and make recommendations to the Board if required.
 - c) the Corporation's overall approach to corporate governance issues; and
 - d) its Terms of Reference periodically to ensure they continue to be appropriate and make recommendations to the Board if required.

D. REGULAR MEETINGS & BUSINESS

1. The Committee shall meet regularly at least three times a year and at such other times as may be requested by the Chairperson of the Committee.
2. The President and CEO shall be invited to attend all Committee meetings.
3. The Chairperson of the Committee, in consultation with the President and CEO and the Corporate Secretary (or their designated delegate), shall set the agenda of each meeting, which shall then be circulated to the members of the Committee.
4. Minutes of Committee meetings shall be available through the Corporate Secretary.
5. The Committee's schedule of regular meetings and associated business is outlined in the appendix.

Appendix

SCHEDULE OF REGULAR MEETINGS AND ASSOCIATED BUSINESS

(reports are annual unless otherwise indicated)

(allocated time is in minutes unless otherwise indicated)

MARCH (Ottawa)

Recommend to the Board:

- Salary Planning Budget (20)
- Incentive Plan Framework (20) (only if there are changes)

Approve:

- Directors' Training Plan (20)

For information:

- Compliance with Code of Conduct and Officers' expenses, benefits and use of assets
- Compliance with the Code of Conduct and Conflict of Interest Guidelines
- Members' Compliance with Conflict of Interest Disclosures

MAY (Even Years: Montreal / Odd Years: Toronto)

Recommend to the Board:

- CEO's Performance Evaluation (40)
- CEO's Performance Plan (20)
- Calendar of Meetings (10)

For information:

- Employment Equity Report
- Report on the Operations of the Multiculturalism Act

JUNE (Ottawa)

Recommend to the Board:

- Set Salary Planning (20)

Approve:

- Management Succession Plan (20)

For information:

- Health, Safety and Environmental Report
- Report on the Implementation of the Official Languages Act

Appendix 2

RESOLUTION REGARDING THE REMUNERATION OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS OF CBC\RADIO-CANADA

1. That, pursuant to the *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations* (effective October 1, 2000), the Chairperson of the Board of Directors shall be paid a *per diem*:
 - a) for attending (in person, by videoconference or by other electronic means) regular meetings of the Board or its committees;
 - b) for participating at four meetings of the Board or its committees conducted by telephone, teleconference or other similar facility;
 - c) for travelling time to attend meetings of the Board or its committees if the time required to travel between the meeting place and the normal place of residence exceeds three hours;
 - d) for special executive, analytical or representational responsibilities, including, without limitation:
 - i) attending, and preparing for, substantive briefing sessions and meetings with government officials, members of the Corporation's Senior Executive Team, or their representatives;
 - ii) speaking at events as an official spokesperson of CBC\Radio-Canada or its Board of Directors;
 - iii) attending official workshops related to the Chairperson's functions and duties; and
 - iv) attending official functions hosted by CBC\Radio-Canada or its Board of Directors or for which an invitation has been received to attend as a representative of CBC\Radio-Canada or its Board of Directors;
- provided that:
 - a) the *per diem* rate payable shall be in the amount specified in the Order in Council establishing the Chairperson's remuneration;
 - b) except for the attendance or participation at meetings of the Board and its committees and for the travel time required to attend such meetings, only half of the *per diem* rate shall be payable for periods of four hours or less; and
 - c) not more than one full-day *per diem* be payable in respect of a twenty-four hour calendar day; and
2. That, further to the *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations* (effective October 1, 2000), the annual retainer provided for in the Order in Council establishing the remuneration of the Chairperson of the Board of Directors shall be payable on a pro-rated quarterly basis.